Commission

The Province of Alberta

THE ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF EDMONTON AND CALGARY

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I N D E X

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EXHIBITS

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220E	Map showing population growth by polling divisions	5330
221E	Statement showing estimated land assessment for 1955	5331
222E	Table showing Number of single family dwellings and total number of dwelling units and number of tenant units in Edmonton for the years 1946 to 1954 ..	5331
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THE SITTINGS OF THE ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF CALGARY AND EDMONTON, held at the Court House, Edmonton, Alberta, on Wednesday, the 9th of March, A.D. 1955, at 9:45 a.m.

THE CHAIRMAN: Yes, Mr. Moffat?

MR. MOFFAT: Mr. Chairman, I indicated yesterday that I had some exhibits from the Assessment Department, and I thought this might be a good opportunity to have them entered and numbered?

THE CHAIRMAN: Thank you, yes.

MR. MOFFAT: The first one, I don't recall the number?

THE CHAIRMAN: 220E.

MR. MOFFAT: 220 is the information requested by Dr. Harries with respect to population growth in the different parts of the city. This is the polling division map of the City and on it is marked the population of each polling division in 1952, 1953 and 1954. From that you can calculate the growth. Unfortunately the polling divisions were changed previous to that date and there was a redistribution at that date and, therefore, they can't be carried back the rest of the distance, but it does give the story for the last three years.

THE CHAIRMAN: Three years, yes, well, that's all right.

MR. MOFFAT: And we have quite a few copies. The Assessment Department went to some trouble to put this information all onto the map, and we certainly appreciate the work they have done on it. I think it

MR. MOFFAT: (Cont.) is a very nice form to work with.

THE CHAIRMAN: I should like you to assure the various departments of the City that we are very appreciative of all the work they have done to give us the information that we needed or thought we needed.

MR. MOFFAT: This one in particular, they did go to extra trouble beyond what might have been reasonable.

MR. ROBISON: By the way, how are we to describe 220E? Possibly I haven't been listening.

MR. MOFFAT: I would call it "Polling Division Map showing population".

MR. BLACKSTOCK: "Population growth by polling divisions".

MAP SHOWING POPULATION GROWTH BY POLLING DIVISIONS IS ENTERED AND MARKED EXHIBIT 220E.

THE CHAIRMAN: And is 221 a map also?

MR. MOFFAT: 221 is a statement accompanied by a map. I think we will make one exhibit out of the whole thing.

THE CHAIRMAN: All right.

MR. MOFFAT: It is the statement of the estimated land assessment for 1955, the new land assessment, and it is presented in terms of the estimated total land assessment of the different rolls, the different assessment rolls, and attached to it is a map showing what part of the city is covered by each one of the rolls. This was discussed several days ago and there was mention made of a newspaper story in respect to it, and this is the basic material which lay behind that newspaper story.

THE CHAIRMAN: That will be 221E.

STATEMENT SHOWING ESTIMATED LAND ASSESSMENT FOR 1955 IS ENTERED AND MARKED EXHIBIT 221E.

MR. MOFFAT: In this particular case there is a slight shortage of maps, there are only five maps, but there are plenty of copies of the table, the figures. In view of the fact that there is a shortage of maps, I might just quickly indicate --

MR. McGRUTHER: I think we have these already, sir, we got them before the hearings opened, unless there has been some changes.

MR. MOFFAT: I don't think there has been any change in the roll, assessment roll sections. In that case then there is no need to indicate the area which corresponds to each roll number.

The next exhibit is one requested by Commissioner Davies, a table showing the number of single family dwellings and total number of dwelling units each year from 1946 to the present.

MR. DAVIES: Excuse me, Mr. Chairman, I think that the heading where it says the "Number of tenants", I think it should be "Number of tenant units", and that correction should be made in the heading at the top.

MR. MOFFAT: Yes, it isn't the number of people, it's the number of housing units occupied on a tenancy basis.

THE CHAIRMAN: This will be 222E.

TABLE SHOWING NUMBER OF SINGLE FAMILY DWELLINGS AND TOTAL NUMBER OF DWELLING UNITS AND NUMBER OF TENANT UNITS IN EDMONTON FOR THE YEARS 1946 to 1954 IS ENTERED AND MARKED EXHIBIT 222E.

MR. MOFFAT: And 223 is the next one: it is the story with respect to tax collections, the heading is "Tax collection-comparisons". It covers the period 1951 to 1954 and shows the total current levy, the realty tax and the percentage of the levy which is collected; the arrears which were collected, and then it shows the same information for business tax.

THE CHAIRMAN: Mr. Moffat, excuse me a minute, this is 223, is it?

MR. MOFFAT: Yes.

THE CHAIRMAN: Well, don't be in quite such a hurry, please.

MR. MOFFAT: Sorry.

THE CHAIRMAN: Yes, Mr. Moffat, Tax collections covering how long a period?

MR. MOFFAT: 1953 to 1954, and that will be No. 223.

DOCUMENT ENTITLED "TAX COLLECTIONS-COMPARISONS" IS ENTERED AND MARKED EXHIBIT 223E.

MR. MOFFAT: And then related to that question is the question of tax levies not paid and the action taken by the City in respect to them.

I have here the number of tax caveats filed. I think rather than put it as an exhibit, I might just dictate it into the record because it's only a short thing.

The information is that for 1954 the number of tax caveats filed was 284, and out of those, 157 were paid off by the end of the year, leaving the number not redeemed as 127.

THE CHAIRMAN: The year being?

MR.MOFFAT: 1954.

THE CHAIRMAN: Thank you.

MR. ROBISON: About two weeks ago I asked you, Mr. Brownlee, for an exhibit showing the tax situation, as I remember it, in Strathcona in 1946, and I gave Dr. Harries, I think, a memo on it. Either one of you, do you remember that, and you were to get the information?

DR. HARRIES: I didn't get any memo that I recall.

MR. ROBISON: I gave either one of you a memo.

MR. BROWNLEE: I don't recall it, sir, but I will check.

MR. ROBISON: Oh, yes, I gave it to you after the rise of this hearing one afternoon.

MR. DAVIES: I think Mr. Hawkins took it.

DR. HARRIES: I am quite certain, I don't recall seeing it.

MR. ROBISON: You better phone Mr. Hawkins then, yes, I think that is right.

MR. ADAMSON: '46, did you say? You want the mill rate for that year?

MR. ROBISON: No, Mr. Hawkins has got the memo. I wrote it out showing the information we needed.

MR. ADAMSON: I will go and check now.

DR. HARRIES: Mr. Chairman, there are several statistics that we entered in connection with dwelling construction in the City of Edmonton, and we received from the Dominion Bureau of Statistics their year-end report on dwelling units, and I wondered if you would like to have the complete year figures in the record? I have them here if you wish, for Jasper Place, Beverly

DR. HARRIES: (Cont.) and Edmonton?

THE CHAIRMAN: Yes, you just read them, will you, Dr. Harries?

DR. HARRIES: From January 1st to December 31st, 1954 there were 3,779 dwelling units started in the City of Edmonton. There were 3,559 units completed, and as at the end of the year there were 2604 units under construction.

For the Town of Beverly the 1954 starts were 104; the completions were 115, and the under construction at the end of the year were 67.

For Jasper Place town the starts were 154; the completions 199, and the under construction 85.

I may say that comparing 1953 with 1954 there has been a slight increase in the units under construction as at the end of the year for the City of Edmonton, but there have been decreases in both Beverly and Jasper Place and a very decided decrease in Jasper Place, and the source of that information, sir, is a special surveys division publication of the Dominion Bureau of Statistics entitled "New Residential Construction", Volume 7, Number 12.

There was also some time ago raised the question of the labor force in the City of Edmonton, and I have the December, 1954 "Employment and Payrolls Report" of the Dominion Bureau of Statistics.

That indicates that in the Edmonton area as at December 1st, 1954 there were 39,122 employees in the sample that makes up the statistic to which I refer, and then the Dominion Bureau indicate that

DR. HARRIES: (Cont.) the coverage of total wage earners and salaried employees in all industries including those in agriculture, government, education, health and other classes excluded from the monthly surveys as well as paid workers in the industries that are represented, approximate 59%. So I would suggest that to be on a conservative side you could take, apply that 59% factor to this 39,122, which would give you a labor force in the Edmonton area of approximately 80,000, and it is interesting to note that the construction trade employs, according to that survey, almost eight thousand people, which would indicate that the total employment in construction would be of the order of sixteen to seventeen thousand, and I think those figures might be interesting to the Commission to indicate the kind of magnitude that we are dealing with.

There is one other publication which is a special survey also as at September, 1954, and it indicates the type, tenure and type of dwelling by province as at that date, and I think it is sufficient to say that it indicates that the rentals, the rental accommodation in Alberta is very, very close percentagewise to the rental accommodation available in Edmonton as given in Exhibit 222 this morning. So it would appear that in urban centres in Alberta there is not a significant difference between the situation in Edmonton and the situation across the Province, on the basis of that statistic.

THE CHAIRMAN: Thank you very much.

MR. MOFFAT: I wonder if I could ask one question? I notice at the end Dr. Harries compared this material with one of the other exhibits. I wonder, in respect to the housing construction data, if he has had a chance to compare with it with the information in Exhibit 163E which was filed by Mr. Hodgson on the basis of material from the Central Mortgage and Housing?

DR. HARRIES: I haven't, but I would be very glad to do that.

MR. MOFFAT: My impression is that it's on the same information and corresponds fairly closely.

MR. BROWNLEE: Sir, the information you requested should be over here after lunch.

MR. ROBISON: Thank you, Mr. Brownlee. Mr. Garside, I asked you the other day, privately or during a recess, something about the position of the City where the utilities would be taxed and assessed on a standard basis or full basis, and whether the city in that event could use the money so obtained as freely as they do now with the lower assessment and the surplus. Do you remember me asking you that?

MR. GARSIDE: I do, sir.

MR. ROBISON: Would you be in a position to make a response to that?

MR. GARSIDE: I think I will deal with that, I will get Mr. Commissioner Menzies to deal with that.

MR. ROBISON: It's legally too, as you remember?

MR. GARSIDE: Yes.

THE CHAIRMAN: Mr. Dechene?

MR. DECHENE: Mr. Chairman, I am appearing this morning on behalf of Division 3 of the Municipal District of Stony Plain No. 84.

A brief on behalf of this Division was filed with the Commission some days ago, and at that time it was indicated to the Secretary of the Commission that the municipality as a whole would probably also file a brief. I now have to advise the Commission that such brief will not be forthcoming from the municipality.

In connection with the brief which we are presenting this morning, I might add that it supplements or follows a brief filed previously as No. 138E by Division 1 and 2 of the same municipality, and at the time of filing that brief, there was filed as Exhibit 139E and 140E maps of the municipality showing the boundaries of the various divisions.

Having that in mind and for other reasons, I do not have sufficient copies this morning to distribute to the Commission, but I believe that the divisions can be very easily described, and I would propose, if it meets with the wishes of the Commission, to dispense with filing any further maps.

It has been suggested that the brief be presented by Mr. Otto Schatzke who was appointed by a meeting of the ratepayers of Division 3.

If it please the Commission, I will now call Mr. Schatzke.

THE CHAIRMAN: Yes, please.

OTTO SCHATZKE, having first been duly sworn, was examined and testified as follows:

THE CHAIRMAN: I will interrupt you for a minute to number this brief, 224E.

BRIEF ON BEHALF OF THE RATEPAYERS OF DIVISION 3 THE MUNICIPAL DISTRICT OF STONY PLAIN NO. 84 IS ENTERED AND MARKED EXHIBIT 224E.

MR. DECHENE EXAMINES THE WITNESS:

Q Before I ask you, Mr. Schatzke, to read your brief, I might with your permission, Mr. Chairman, ask him a few questions?

THE CHAIRMAN: Yes.

Q Mr. Schatzke, you live in the Stony Plain Municipality?

A Yes.

Q What is your post office?

A Stony Plain.

Q Where in the municipality do you live?

A Holbourn.

Q That's H-o-l-b-o-u-r-n?

A Yes.

Q Do you hold any official position on the Council or on the School Division at the moment?

A No.

Q Would you please tell the Commission in what capacity you are appearing this morning?

A I am appearing as a ratepayer. I was appointed at a meeting held on January 31st, and I was authorized with two other mentioned members, ratepayers mentioned in this brief, to act as spokesman for the ratepayers of Division 3 and present this brief before this

A (Cont.) Commission.

Q How many people attended that meeting, Mr. Schatzke?

A There were approximately 125 members, ratepayers who attended this meeting, it was very well attended.

Q And how many ratepayers are there in the Division?

A There are approximately 175.

Q And was the decision of the meeting opposed by any of the ratepayers?

A This brief was accepted unanimously.

Q Thank you. Now, will you proceed to read it, please?

A "THE RATEPAYERS OF DIVISION 3 MUNICIPAL DISTRICT OF STONY PLAIN NO. 84

SUBMISSION TO

THE ROYAL COMMISSION ON METROPOLITAN DEVELOPMENT OF CALGARY AND EDMONTON

Mr. Chairman and members of the Royal Commission.

PART 1

1. This brief is presented by Mr. Arthur Lutz, Mr. Otto Schatzke and Mr. George Shaul who are all ratepayers of Division 3 of the Municipal District of Stony Plain. These gentlemen have been appointed by a well represented meeting of ratepayers of Division 3 to prepare this brief primarily to express and present the wishes and submissions of the said ratepayers of Division 3.

2. While the ratepayers of Division 3 believe that they are not immediately interested or concerned with Metropolitan Development, it has come to their attention that the two Divisions of the said Municipal District lying immediately west of the City of Edmonton have placedbriefs

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"before the Royal Commission indicating a desire on the part of the said two Divisions to be incorporated into a new Municipal District to the area West and North of the City of Edmonton. The ratepayers of Division 3 submit that these contentions cannot effectively be considered without the problems and wishes of Division 3 being placed before the Royal Commission so that the said Commission has all the facts before them.

3. Submissions by the said two Divisions lying immediately West of the City of Edmonton to be placed separate and apart from the more westerly Divisions of the said Municipal District, and in particular Division 3, suggests the possibility of problems most pressing to the ratepayers of Division 3 coming into being.

4. Therefore it is the wish of the ratepayers of Division 3 that the probable effects of a separation of Divisions 1 and 2 from the balance of the said Municipality upon the said Division 3 be placed before this Royal Commission, along with the conclusions and submissions of the ratepayers of Division 3.

PART 2

The Place of Division 3 within the present Municipality

5. The Municipal District of Stony Plain No. 84 covers an area of 836 square miles extending in a westerly direction from the boundaries of

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"the City of Edmonton and the Town of Jasper Place. This land area is divided into 5 separate Divisions numbered consecutively from East to West. Division 3 is thus that area lying immediately West of Divisions 1 and 2 which are the two Divisions lying nearest to the City of Edmonton. The total land area of Division 3 is 158 square miles being approximately 1/8 of the area of the Municipal District as a whole. Divisions 1, 2 and 3 comprise the better developed part of the Municipality, the greater part of their land area containing soil of deep black loam which is of a much superior quality than the soil found further west in that area comprising the present Divisions 4 and 5. These latter Divisions are larger in area but contain poorer soil being a scattered lake country.

6. The Town of Stony Plain lies on the easterly boundary of Division 3 and is centrally located in the area presently making up the municipal district as a whole. The present school organization in the Municipality, particularly with regard to secondary schools, is mainly centralized at or about the Town of Stony Plain, while the central location of the Town has resulted in the seat of municipal government being established within its bounds.

7. There is considerable land in Division 3 which carries a high assessed value and in this regard it compares very favourably with

A (Cont.)

"Divisions 1 and 2. Divisions 4 and 5 to the contrary are generally composed of land of a much lower assessed value. Land assessments are to be compared by Divisions hereafter. Division 3 might best be described as a borderline area lying between the highly productive Divisions 1 and 2 to the East, and the poorer, less productive Divisions 4 and 5 to the West. Division 3 feels, like Division 1 and 2 that the increased rate of taxation in the past years and the evergrowing demand for public works and educational purposes to the area west of Division 3, have given cause to evergrowing concern and deep dissatisfaction among all ratepayers of the said Divisions.

PART 3

The Contribution of Division 3 to Municipal Revenue.

8. Regarding the Municipal District of Stony Plain as a whole, it is submitted that the District is very similar to most municipal districts in Alberta in the class of areas allocated to its government and control. It is apparent that, as a whole, rich agricultural areas have been joined with poorer or non-productive areas apparently with the thought in mind that such a union will lead to greater development and a higher standard of public service within the poorer areas by the device of placing the bulk of the tax burden upon the

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"more productive areas. This being the case, the ratepayers of Division 3 submit that they must be regarded as constituting a productive division contributing to Divisions 4 and 5 along with Divisions 1 and 2. This contention is illustrated by a comparison of land assessments of the various divisions for 1954 as follows:

Division 1	Division 2	Division 3	Division 4
$1,148,880	$1,307,900	$1,147,480	$765,270
		Division 5	
		$ 510,450.	

It can be seen from the foregoing table that, insofar as land assessments are concerned, Division 3 is comparable to Divisions 1 and 2, while Division 4 and 5 contain land of a much lower assessed value. While the land assessments are higher for Divisions 1, 2 and 3, it is noted that expenditures for public works were evenly distributed between the 5 divisions in 1954, as follows:

Division 1	Division 2	Division 3	Division 4
$33,942.04	$30,070.30	$24,173.60	$27,527.47
		Division 5	
		$30,325.35."	

Mr. Chairman, at this time allow me to point out that your attention will again be drawn to those figures. While they are not incorrect, we feel that some items have been added, which perhaps should not have been in order to convey to you a more correct comparison of Division 1, 2 and 3 and

A (Cont.) Divisions 4 and 5, and this will be more clearly explained by a witness which will appear before you later.

" The foregoing tables would indicate that Divisions 1, 2 and 3 are contributing to Divisions 4 and 5 for public works in line with apparent theory of "balance" within the Municipal Districts, or, in other words, Divisions 1, 2 and 3 receive a lesser return per dollar levied than do Divisions 4 and 5 in accordance with the rule that productive areas should assist in the level of public services and general development within lesser productive, or poorer areas.

9. The position of Division 3 in the framework of the Municipality as a whole would thus appear to be very nearly on a level with Divisions 1 and 2 insofar as the tax burden of land assessments are concerned, and in this regard Division 3 in fact varies considerably on land assessment with Divisions 4 and 5.

PART 4

The Effect on Division 3 should Divisions 1 and 2 be withdrawn from the Municipality.

10. Division 3 being a contributory to the Municipal Revenue nearly on a par with Divisions 1 and 2, the effects of a withdrawal of the tax support of Divisions 1 and 2 upon the contribution of Division 3 becomes obvious. Should Divisions 1 and 2 be formed into a separate unit to themselves, the ratepayers of Division 3 respectfully submit that the bulk of the tax burden, if municipal

A (Cont.) "public services are to remain at their present level, would fall almost entirely upon themselves thereby resulting in an unfair levy. Division 3 would be called upon to maintain the remaining municipality, being Divisions 4 and 5, without the assistance of Divisions 1 and 2. The alternative is equally obvious. If such a tax burden proved to be too great for Division 3 to meet, there would necessarily be a drastic lowering of public services throughout Divisions 3, 4 and 5.

11. Further, the separation of Divisions 1 and 2 from the balance of the municipality would destroy the present centralization of schools in the vicinity of Stony Plain. While the Town of Stony Plain would remain fairly central in a unit made up of Divisions 1, 2 and 3, it would be located at the extreme easterly boundary of a unit made up of Divisions 3, 4 and 5. The fact that a large majority of students presently are bussed to schools at central points throughout the Municipal District would indicate that school centralization is essential to the economy of any municipal district. In a new unit composed of Divisions 3, 4 and 5 such centralization of schools would prove impossible unless a complete rebuilding program was undertaken at a prohibitive cost.

PART 5

Submissions of the Ratepayers of Division 3

12. The Ratepayers of Division 3 submit that as they are linked with Divisions 1 and 2,

A (Cont.) "both from the standpoint of tax burdens within the municipality, and from the standpoint of centralization of schools, that a new Municipal District encompassing the areas presently described as Divisions 1, 2 and 3 of the Municipal District of Stony Plain be composed.

13. This submission is made in view of the potential unfair position Division 3 would find itself in being separate and apart from Division 1 and 2, and the advantages which would lie in the creation of a uniform assessment providing a more equitable distribution of tax burdens among all ratepayers leading to the provision of better services to residents of the District as a whole.

14. The Ratepayers of Division 3 further submit that in the event their proposed new Municipal District be composed, the position of the present Divisions 4 and 5 would not be unduly affected should they be placed under direct government supervision along with Local Improvement District 77 lying immediately to the West of Divisions 4 and 5. This would have the desirable effect of Divisions 4 and 5 being able to retain their level of public services with the existing tax burdens resting on Divisions 1, 2 and 3 being entirely dispensed with insofar as assistance to Divisions 4 and 5 is concerned."

Q MR. DECHENE: Thank you, Mr. Schatzke. Now, would you mind explaining to the Commission what contacts

Q (Cont.) your group had with Divisions 1 and 2 which lead to the preparation of this brief?

A Following the ratepayers meeting we had in Stony Plain when this brief was endorsed, a delegation of ratepayers from Divisions 1 and 2 invited us to meet them at Stony Plain. At this meeting they proposed to us to form a new municipal district of Divisions 1, 2 and 3. After due consideration it was then moved at this meeting that this meeting of delegated ratepayers go on record to be in favor of forming a unit of administration of Division 1, 2 and 3. They are now solidly behind this brief.

Q Is there any further information which you can give to the Commission regarding the similarity between Divisions 1, 2 and 3 and facts which distinguish them from Divisions 4 and 5?

A Yes, besides the assessment which has been read in the brief, I have here the total revenue based on the 1954 63 mill rate of the Stony Plain municipality. This amounted to $547,675.52. From this amount, Divisions 4 and 5 pays $108,629.60, whereas Division 1 and 2 and 3 pays $439,045.92.

It becomes even more obvious if we consider the grand total expenditure of the municipality which amounted to $739,990.61, and Division 4 and 5 contributed to this amount only $108,629.60, and furthermore, Division 4 and 5 comprise half the land area; half the population, and they only pay one eighth of the assessment, they have one eighth of the assessment.

THE CHAIRMAN: Excuse me, Mr. Dechene. Do I understand, Mr. Schatzke, that the population of 4 and 5 is equal to the entire population of 1, 2 and 3?

A That's right.

THE CHAIRMAN: And would you indicate the west boundary of Division 3, roughly? Oh, just tell me some point along the railroad and I will understand that. Thank you very much.

Q MR. DECHENE: Do you wish to add anything, Mr. Schatzke, with regard to the effect of your submission on the school situation?

A Well, perhaps if you would call on Mr. Lutz, with your permission, Mr. Chairman, but perhaps I should point out that the ratepayers of Division 3 are not so much opposed to the high rate of taxation, but we are certainly opposed to the unfair maintenance of services throughout the municipality.

From the north east corner to the south west corner it is approximately 85 miles, and to move, we have a lot of machinery, $320,000.00 worth of machinery, and it is very costly to move this machinery over so large a area, and we feel that if this, if this new area could be comprised composed of the 1, 2 and 3, we would save a great deal of money in administration costs.

Q Now, Mr. Schatzke, would you turn your mind for a moment to the situation of the logical trading area for Division 3. Are they joined more naturally with 1 and 2 or otherwise?

A About from Stony Plain, Edmonton is definitely our trading centre. Nearly all the people deal mostly

A (Cont.) in Edmonton. We have very little to do in Division 4 and 5 except go there on the week-end for holidays. It's a very nice lake country, but we definitely deal in Edmonton at all times.

Q How long have you lived in the district, Mr. Schatzke?

A I have lived in this area for eighteen years.

Q And Divisions 4 and 5 do not come to Edmonton as regularly or as often, they have a trading area of their own, do they?

A Oh, definitely, because it's too far, and lately, I think they are more drawn to the west through the development in the western part, Drayton Valley, to the oil developments which is supposed to be very, have a great effect on the whole situation in the western areas. The towns are gaining and they are getting bigger all the time, Drayton Valley will be a big town and Gainford and Evansburg, they also have increased a lot in the last few years.

MR. ROBISON: You better be careful that they don't get into an industrial set-up and then you will wish you had stayed with them.

A This has been suggested, but we do feel that with the rate of taxation we still can manage very well in those three divisions.

Q MR. DECHENE: In addition to what is contained in your brief can you add any other detail on the result of dividing Division 1 and 2 from the municipality and leaving Division 3 to go along with the other two? Is there anything you wish to add on that?

A I can't quite --

Q Do you wish to add anything as to the probable result

Q (Cont.) of removing Divisions 1 and 2 from your municipality and leaving Division 3, 4 and 5 into one unit?

A Mr. Chairman, it would be utterly impossible for us to carry on drastic lowering of our public services, that would be the result of it, because we wouldn't be able to carry on without Division 1 and 2.

Q Now, in your brief, Mr. Schatzke, you have indicated, or at least, you have indicated your opinion that the more prosperous divisions were contributing to the maintenance and the public service of the less fortunate divisions in the municipality?

A That's right.

Q In this respect do you know whether there is any difference between your Municipal District of Stony Plain and other municipal areas in the Province?

A I understand there is hardly any municipal district which is located such as ours with so large an area on one end. We are not opposed to, in helping to bring a higher standard of public services to the ratepayers of Division 4 and 5, but we are opposed to the extent what we have to help Division 4 and 5 in the past. For instance, it is also a fact that owing to the Municipal Act, the money has to be spent where it is needed most, and I am informed that at one council meeting, 23 delegations presented their grievances and complaints and requests to the Council, and all 23 delegations came from Division 4 and 5. It is , of course, very obvious where the need is the greatest, and there is the old saying

A (Cont.) "The wheel which squeaks the most gets the first grease", and this certainly has been done in our municipality.

MR. DECHENE: Thank you, Mr. Schatzke.

MR. ROBISON: Before Mr. Schatzke retires, I wonder if he could answer a question, Mr. Dechene, with respect to what relationship had the Co-terminous Boundaries Commission to the Municipal District of Stony Plain, what was done, if anything, I would like to know.

MR. DECHENE: I think Mr. Schatzke could answer that, but if it meets with your approval, I had proposed to call three other gentlemen, one of whom particularly Mr. Slaght has studied that problem and is able to give the exact information on it, and I would also with your permission wish to call Mr. Lutz who has made a study of the effect of this on the educational problem in the municipality, and Mr. Evjen who is the Reeve and who could give some explanations of the figures which have been read in Mr. Schatzke's brief.

MR. ROBISON: What I would like to be clear on is whether this Royal Commission is being asked to sit in review on matters which came before the Co-terminous Boundaries Commission?

MR. DECHENE: Well, the Co-Terminous Boundaries Commission did recommend some small changes which were made affecting the municipality, but particularly affecting the municipalities surrounding it, but the reason for this submission to this Commission is merely the fact that it involves local government problems in an area

MR. DECHENE: (Cont.) adjacent to the City of Edmonton.

THE CHAIRMAN: Mr. Dechene, we are very anxious to get all the facts in this regard, particularly in relation to the submission of Divisions 1 and 2, but I hope that you will ask your other witnesses not to take too much time because, obviously if you are going to call three others, did you say?

MR. DECHENE: Yes.

THE CHAIRMAN: They are not going to read a brief, I believe.

MR. DECHENE: No.

THE CHAIRMAN: But still you will see that the questions are so put that they won't spend too much time on this? This west end, as Commissioner Robison suggests, is certainly outside our province. Mr. Schatzke says he doesn't expect us to include Stony Plain, for instance, in our recommendations as to the extentions of the boundaries of Edmonton, and so you will just do that?

MR. DECHENE: I will try to be as brief as possible.

THE CHAIRMAN: Then, the circumstances are now that Mr. Schatzke has completed his evidence, we will excuse him and you will call your next witness.

MR. DECHENE: Very well, sir.

MR. BROWNLEE: Mr. Chairman, I wonder if I will have an opportunity of asking Mr. Schatzke some questions?

THE CHAIRMAN: Oh, yes, you ask him now, I'm sorry.

MR. BROWNLEE EXAMINES THE WITNESS:

Q Mr. Schatzke, is there industrial assessment in Division 1 of this municipality?

A Yes, there is.

Q Now, specifically I would refer you to two industrial firms, Alexander Brick and Tile Company, you know that?

A Yes.

Q And the Inland Cement Company?

A Yes.

Q You know that?

A Yes.

Q Is there any other industrial assessment of any consequence?

A I don't think so.

Q Is it the feeling of Division 3 that Division 3 should be entitled to share in the assessment of those two industrial firms even though they are located in Division 1?

A I believe it is, if the area should be composed of Division 1, 2 and 3.

Q Yes, well now, would you feel that it was unfair to Division 3 to have Divisions 1 and 2 break off and take that industrial assessment away with them, would you feel that it was unfair to Division 3 if Division 1 was removed from your municipality and that industrial assessment was taken away from you?

A Yes, it would because we would be put in the position to carry the rest of the municipality without the help of Division 1.

Q Do you feel that the balance of the people in the Municipal District of Strathcona even out in Divisions 4 and 5, pardon me, Stony Plain, I have got Strathcona

Q (Cont.) on my mind. Do you feel that the rest of the ratepayers of the Stony Plain Municipality even out in Divisions 4 and 5 are entitled to share in that industrial assessment?

A I don't think so, they are too far apart and the assessment is too different in those other two divisions 4 and 5.

MR. ROBISON: What was that question again, Mr. Brownlee, I'm not clear?

MR. BROWNLEE: I was asking Mr. Schatzke if he felt that the balance of the ratepayers of the Municipality of Stony Plain even out as far as Divisions 4 and 5 should be entitled to share in this industrial assessment, and he said that he didn't think 4 and 5 should.

A No.

Q MR. BROWNLEE: Are you suggesting that just Divisions 1, 2 and 3 should have the benefit of that assessment?

A Yes, well, if, we are trying to get a new administration of Division 1, 2 and 3. We certainly are concerned with those three only, with those three divisions only.

Q Well, as far as you are concerned you would cut 4 and 5 adrift and say "You are not going to have any part of this industrial assessment", is that it?

A That's right, we would not ask for any part of the industrial development, for instance, in Drayton Valley either.

Q Well now, would you be satisfied, maybe I shouldn't say "satisfied", would you be pleased or displeased

Q (Cont.) if the City of Edmonton were to extend its boundaries and take in these two industrial assessments of Alexander Brick and Tile and Inland Cement, would you like the City of Edmonton to take those away from Division 1 of Stony Plain?

A No, I would not.

Q Why wouldn't you?

A Well, those industrial developments are within the area of the municipality, and the municipality should get the benefit of these industrial developments.

Q You feel that a rural municipality is entitled to have an industrial assessment?

A I feel that.

Q And you feel that not only the people of Division 1 should have it, but also 2 and 3?

A That's right.

Q In other words, you are prepared to divide that industrial assessment among people west of the City as far as the west boundary of Division 3?

A That's right.

Q And that's about 35 miles away from the City, isn't it?

A Approximately.

Q Well, I just don't quite understand why you would be willing to deprive Divisions 4 and 5 of the assessment, especially if they are in more needy circumstances than 1, 2 and 3?

A Well, simply because we have come here to form a unit of Division 1, 2 and 3.

Q I see, that's your reason, you want to form another municipality?

A Yes, if it would be the municipality as a whole, we certainly would include 4 and 5.

Q Yes. As a rural man and a municipal man, if it is suggested to you that industries and industrial assessments properly should belong to an urban centre rather than to a rural centre, would you agree or disagree?

A Mr. Chairman, I am only a ratepayer and I have no intimate knowledge of municipal administration and such questions, but I feel that it would be unfair, personally.

Q You think it would unfair to say that rural people should not have industrial assessment?

A Yes.

Q To pay for their school costs and so on?

A Yes.

MR. ROBISON: Just a minute now, I think we should be clear at this point, and I feel that we have not been clear previously on this matter. Supposing that the industrial assessment is a way off 80 miles from any built-up area. I think we should qualify it by saying if it is an industrial set-up adjacent to or close to an urban area. What's the use of thinking of one 85 miles away?

MR. BROWNLEE: Well, as far as I am concerned, sir, I have asked him with respect to the two particular industries.

MR. ROBISON: Well, I think his reply should be qualified.

MR. BROWNLEE: His reply is that he feels the rural people should have it.

MR. ROBISON: Have those two, is that what it means?

MR. BROWNLEE: That's what I have asked him.

MR. ROBISON: Well, the last question I gather is a general question whether a rural municipality is entitled to have industrial assessment. Now, I don't think that that question admits of an absolute answer without qualification.

MR. BROWNLEE: Well, he has given a very general answer to a very general question.

MR. ROBISON: As far as I am concerned it is too general to be of much use to the Commission.

MR. HAYES: That's his evidence though.

MR. DECHENE: He has prefaced it by saying that he was not an expert and not an official of the municipality, he just gave it as his personal opinion.

MR. HAYES: You just give it as you see it.

A For instance, it has been indicated that the Ford Motor Company is trying to establish an industrial set-up within the municipality of Stony Plain. Now, perhaps it is around Stony Plain 20 miles away from the city. Why should we not be entitled to the benefits of this industrial development?

MR. HAYES: Are you asking that question of somebody?

MR. BROWNLEE: I think he is asking himself, sir.

MR. ROBISON: He was looking at me.

Q MR. BROWNLEE: I wonder if you could tell me, sir, whether there are people living in Division 3 of your municipality that come to work in the City of Edmonton?

A Yes, there are, but I couldn't tell you the number of people.

Q Would it be probably under a hundred?

A There would be definitely more than one hundred.

Q How many miles would they travel?

A They travel 20 miles.

Q 20 miles, they would travel into Edmonton 20 miles, and who educates their children?

A The Municipality of Stony Plain.

MR. BROWNLEE: All right, sir, thank you.

MR. HAYES: You say there are men from your municipality drive into Edmonton daily to work,20 miles?

A Yes, yes, for instance, we have a number of teachers coming from Edmonton to Stony Plain, quite a number.

MR. HAYES: They live in the city and go out there to work?

A Yes, and then there is others coming into the city here.

MR. DAVIES: Are those the sons and daughters of farmers out there living on the farms with their parents, that commute into Edmonton for work and go back home at night, or are they people on small acreages with one or two or three acres who have built their homes out there?

A No, they are mostly seasonal like carpenters, and they come, they have work in Edmonton and they go back and forth.

MR. DAVIES: Do you mean like in the spring and in the fall that they are farming or working on the farms and then they go out to do this other work in --

A Many of them have sons on the farm and they go out to work.

MR. DAVIES: Are they mostly unmarried?

A Married and unmarried.

THE CHAIRMAN: Thank you very much, Mr. Schatzke.

MR. DECHENE: I would like now to ask Mr.John Evjen to appear. Mr. Evjen is the Reeve of the municipality.

JOHN EVJEN, having first been duly sworn, was examined and testified as follows:

MR. DECHENE EXAMINES THE WITNESS:

Q Mr. Evjen, you are the Reeve of the Municipal District of Stony Plain?

A Yes.

Q And you live in Division 3?

A Yes.

Q You attended the meeting of ratepayers which approved the brief which was read by Mr. Schatzke?

A I did.

Q Now, Mr. Schatzke in his reading of the brief explained that there were some explanations to be given with regard to the figures for expenditures for public works between the various divisions. Would you mind giving the explanation that he referred to.

A In regard to those figures quoted in the brief, as you know, the Municipal District Act was changed. There is no more accounting by divisions within the Municipal District, or, by the secretary, rather, and we didn't have those figures available, but these are some figures that I had on notes of myself in order to keep check on the different divisions.

A (Cont.) Now, there is over $15,000.00 included in them five figures that wasn't expended in regard to municipal collections. That was due to money received from oil companies, road damage and donations from ratepayers, and the biggest share of that was expended in Division 1, that is, of the donations, so those are actual expenditure figures, but don't give a clear picture as to the amount of money expended out of municipal collections, municipal levy collections.

Q When you say "donations" from taxpayers, do you mean that certain taxpayers requested the municipality to do some work on their private roads and agreed to pay for it themselves, is that it?

A In a few small projects it was, but it was mostly on side roads, on municipal roads that was leading to their place from the main roads, and they offered to donate a portion for construction and gravel if the municipality would meet it. So they paid a portion of some of that work and the M.D. paid the balance, mostly on a fifty-fifty basis.

Q So that for Division 1 the figures which were given of $33,942.00 should be reduced if you consider only the tax levy, by what amount?

A Roughly about, I would say around in the neighborhood of $10,000.00.

Q Now, Mr. Evjen, as a Reeve and as a long time resident of the municipality would you please give the Commission your opinion as to the result of the formation of a separate municipal unit composed

Q (Cont.) of Divisions 1, 2 and 3?

A Well, leading to that point, Mr. Chairman, in the past years when the municipal council has set their mill rate, we have had a lot of difficulty in arriving to the conclusion of what to set the mill rate at due to the fact that Division 4 and 5 had a lot of rough country, peat land, diversion and the cost of construction in Division 4 and 5 is much greater than in Division 1, 2 and 3 and,therefore, the representatives from Division 4 and 5 have always strived to raise the mill rate in order to acquire more money to make more improvements on public works, and in the reverse, in Division 1 and 2 the land assessment has been up much higher, is up much higher than Division 4 and 5, and if the mill rate was raised, the municipality, according to what Division 4 and 5 wished it to, it would be out of all proportion, and there is a lot of farmers that couldn't afford to pay their taxes and, therefore, we have had that conflict all the time these last years on arriving at setting a mill rate.

THE CHAIRMAN: Mr. Dechene, would you ask him the mill rate for 1954, 1953 and 1952?

Q MR. DECHENE: Would you give that please, Mr. Evjen, the mill rate for 1952, '53 and '54?

A '52, I believe was 53, '53 was 58, and '54 is 67.

THE CHAIRMAN: Thank you.

Q MR. DECHENE: Those figures include school taxes?

A Yes.

Q Do you foresee any change in the mill rate for the

Q (Cont.) three divisions which you are proposing to include in one unit?

A If it was included in one unit, I do think under the present conditions we could have the same services with a less mill rate.

Q Now, what is your opinion, Mr. Evjen, on the extension of the City of Edmonton to the west?

A Well, there is a small portion, I think it would be proper to have joined to the city.

Q What portion is that?

A That would be a quarter section of land on each side of Highway No. 16 adjacent to what is now Jasper Place.

Q Do you see any need to include more land?

A No, immediately west of that there is a lot of low land, peat land and swamp, it wouldn't be feasible to extend the building out on that land.

Q And what would you do if the population got so large that extra land for the city was needed, what would be your suggestion?

A Well, to my mind I think there is only one alternative there, and that would be reverting to satellite towns, due to the condition of the land and the lay of the land there and the drainage.

Q And how would your municipality handle that problem?

A Well, we have set up within the municipal district an Interim Deveopment Board now which on the start, it was the Advisory Board, and the Municipal District of Stony Plain have a representative on the Edmonton District Planning Commission which works very closely

A (Cont.) with the Interim Development Board of the municipality, and we get quite a lot of assistance from them, and I think there is, they have facilities there to handle their town planning in the light of the satellite towns.

Q Your experience in town planning extends from your membership on this Interim Development Board, does it, Mr. Evjen?

A That's right.

Q How long have you been on the Board?

A Since the inception, I think that was in 1950. Prior to 1950 it was called the Advisory Board, that was from 1947 on. I was on the Advisory Board and then an amendment to the Act was, and it was the Interim Development Board.

Q Now, does your district offer possibilities for the establishment of industries?

A Well, as far as industries is concerned, to my mind, they have to explore the possibilities, location, drainage, highways and railroads, and in regard to any discussion that has taken place in our municipality, the Edmonton District Planning Commission has explored all possibilities and there are certain types of industry that could be established west of the city. For instance, industries with very little odor or smoke, it could be established out there, but as far as the establishing in a municipal district or town, I think the proper location is the most important, whether it is in a municipal area or city.

Q Does the Edmonton District Planning Commission give you any assistance in locating industries?

A Oh, yes, very much.

Q Now, coming back --

THE CHAIRMAN: Mr. Dechene, excuse me. It's eleven o'clock. Are you likely to need some more time, much more time with this witness?

MR. DECHENE: I am just about through now.

THE CHAIRMAN: Fine.

Q MR. DECHENE: I just want to refer to the question which Mr. Brownlee asked Mr. Schatzke, Mr. Evjen. What is your view on depriving Divisions 4 and 5 of the benefits which industrial assessment might bring to the eastern part of your municipality?

A To my mind of thinking in regard to that it is not the matter of depriving Division 4 and 5. Now, reverting back to the other question, is that they have strived to get the mill rate raised in order to extend their public works, and we have investigated the possibility of having two mill rates within the one M.D., but that is out, and there is no way that we can raise enough money to provide their public works unless the mill rate goes up high enough, and then in the east it would be terrifically high that the ratepayers there couldn't stand the blunt of taxation.

MR. DECHENE: Thank you, Mr. Evjen.

THE CHAIRMAN: Now, if there are further questions of Mr. Evjen, he will return after the break, but he will be excused at the moment, until 11:10.

(At this point the Commission stood adjourned until 11:10 a.m.)

JOHN EVJEN re-enters the stand, already under oath,

MR. DECHENE: Mr. Evjen --

THE CHAIRMAN: You had completed your questioning, Mr. Dechene. Now, then, Mr. Brownlee.

MR. BROWNLEE EXAMINES THE WITNESS:

Q Mr. Evjen, I would be interested to know if you can give any kind of a figure, as an estimate, of the number of ratepayers of Divisions 1, 2 and 3 that work in the City of Edmonton?

A Well, I haven't given that very much thought or study but I think I would be safe in saying it is around, about five hundred or more.

Q Well, I will repeat a question that I asked the last witness in connection with the Alexandra Brick and Tile Company and Inland Cement Company. Would you object to those industries being taken into the City of Edmonton from the standpoint of losing the assessment from those industries?

A Yes.

THE CHAIRMAN: Mr. Moffat.

MR. MOFFAT EXAMINES THE WITNESS:

Q Yes, just to clarify what you said with respect to the west boundary of the City, I think you said that it would be a good idea for the City to take responsibility for the two quarter sections along the Stony Plain Road immediately west of Jasper Place, is that right?

A Yes.

Q What are the considerations that make you think those two should be taken in as part of the City?

A Well, the main point there would be the Provincial highway 16 enters the City at that particular point and the intention of putting a ring road around the City, which no doubt, one branch will go south and there will have to be a ring road or some arrangement made, an over-pass or a ring road and I think it would work a lot better to have it under one administration, except right at the boundary line.

Q In other words you are thinking primarily in terms of coordination of road construction?

A That is correct.

Q Now, if I take you up just to the north of Jasper Place, the extension of 118 Avenue out into the edge of Stony Plain does the same kind of consideration apply there with respect to transportation and so on?

A No, no, that is a clean cut case, that is, that is the situation that the municipality could handle on its own.

Q What would be the difference between the two?

A That is a ring road and it is established as a provincial highway and it is now in the proposed plans it is a municipal road and the municipality could handle that on their own.

Q Well, is it not a fact that that road is in the City up to a certain point and then goes along the boundary between Jasper Place and Stony Plain so that you would have three municipal authorities trying to deal with that road?

A Oh, I thought you were referring to the portion of the road north of 118 Avenue?

Q No, I am referring to 118 itself, where it extends

Q (Cont.) west of the present City boundaries?

A Yes.

Q Along the northern edge of Jasper Place and the southern edge of your municipality?

A That is under the jurisdiction of the Stony Plain M.D.

Q The whole of the road?

A Yes.

Q Do you think that it would be of interest and concern to both the City and Jasper Place how that was developed?

A It would be of interest, yes.

Q But you think that the interest there would not be as great as the interest down in the outlet of Stony Plain road?

A No, no.

Q Would it be fair to say that the real distinction is that one is a case where there might be some industrial assessment and the other is a case where there is not likely to be industrial assessment? You don't think that is a consideration?

A No.

Q So that your suggestion then, is not related to the fact that there may eventually be some industrial assessment north of Jasper Place, is that correct?

A Oh, there will be, no doubt there will be some further industry there, also south.

Q South of --

A 118th.

Q Into what is now Jasper Place?

A That is right.

Q If the area, say, to the north of Jasper Place becomes

Q (Cont.) industrial to some extent and the people working in those plants live in the City and those plants are given City water, and ask for City sewer facilities and so on do you think it would be reasonable that the taxes should go to the municipality that is providing those kind of services?

A Well, at present, that condition don't exist there to any extent.

Q Well, but suppose it was developing in that direction?

A No, that is, as far as living in the City the workers there have the privilege to say, to establish where they wish.

Q Well, let us take it at a slightly different angle then. Do you suppose that the services could be put in there more efficiently and more cheaply if they were put in as an extension at the end of the City system rather than as an independent system that Stony Plain may have to administer?

A Well, in some small areas it may be.

Q How big an area would you say is a small area, say a section of land, a section and a half of land?

A No, about half a section.

Q You would say down to half a section and if it got any bigger than that you think it might be possible to develop it under Stony Plain, separately?

A That is right.

Q Are you familiar with the exact problems in that area with respect to where the drainage will have to go and where sewage would have to go?

A That is right, I am.

Q Where would they have to be established?

A They would have to go east.

Q Through the present City?

A I presume so.

Q And still your suggestion is that if it is any more than, say, half a section it could be handled independently?

A Yes, I would say according to the satellite town.

Q You are thinking in terms of making a satellite town in there?

A The location of a satellite town hasn't been established as yet.

Q But are you suggesting that that particular area, if it is more than half a section of that sort of development might make a satellite town in there?

A Not right at that area, no.

Q Not right at that area?

A Not right at that immediate area, no.

Q I think you said that a half section, anything less than a half section you would think might be better if it was handled as part of the City but you wouldn't be prepared to extend that, to say a section and a half, would you?

A No.

Q Thanks.

MR. GARSIDE EXAMINES THE WITNESS:

Q I would just like to ask you, you mentioned about five hundred employees, at least five hundred people living in your district coming into Edmonton for work?

A Yes.

Q What is the reverse flow, Edmonton people going out to your municipality to work?

A Now, I couldn't say exactly but there is quite a few of the teachers that is going out.

Q How many, a hundred, fifty?

A No, not as much as a hundred.

Q Any other type of profession going out?

A No, only the ones, the odd professional work, such as plumber on their routine work.

Q Yes.

A It wouldn't be very much.

Q I would just like to ask you this other question too. As I understand it you want to make a new municipal district of one, two and three divisions excluding four and five, is that right?

A That is the request.

Q What would happen to four and five? Where would they go, where would they get their assessment from?

A There is an area west of the present division 5, now, 77 and, as you know, the co-terminous boundaries didn't include that in the M.D. of Stony Plain but there is the possibility of quite an industrial settlement in there, that was the ultimate intention, in the future.

DOCTOR HARRIES EXAMINES THE WITNESS:

Q Just one question, sir, you have mentioned that there is somewhere in the neighborhood of five hundred people living in the Municipal District of Stony Plain and working in the City of Edmonton. I presume, therefore, that the Municipal District of Stony Plain would educate such children that those people have out in your schools?

A Oh, definitely.

Q Therefore, you would provide the services to those workers

Q (Cont.) education and other types of services. Do you feel that, because you provide the services for five hundred workers employed in the City of Edmonton, that you would have any justification whatever for demanding that some part of the industrial assessment in Edmonton be given to the Municipal District of Stony Plain?

A No, I don't.

Q Thank you.

MR. DAVIES EXAMINES THE WITNESS:

Q Say, how do these five hundred people we are referring to, that includes a number of teachers, doesn't it?

THE CHAIRMAN: The teachers are going the other way?

A Most of them go the other way.

MR. DAVIES: Well, does it include any teachers in the five hundred that you are talking about?

A Very few.

Q Right, what would be the approximate total population of Divisions 1, 2 and 3?

A I couldn't say exactly but it would be around, in the neighborhood of 3500 to 4,000.

Q Well, do you mean then, is your evidence that one out of every seven or eight people who comprise the population of Divisions 1, 2 and 3 live out there and come to work in Edmonton, counting men, women and children in the total population, the five hundred figure, if that is correct it means that one out of every seven, if it is 3500 and one out of every eight of your population come to work in Edmonton.

A That figure of 3500 to 4,000, now, there is quite a few of the children that I don't think is included in that.

A (Cont.) There is no estimate of children on that population, it would be quite a few more than that.

MR. MOFFAT: I could give you just one figure, the 1951 census for the whole of Stony Plain shows 7500. Now, that is the total population, now, the information we had here this morning was that roughly half of them are in Divisions 1, 2 and 3, roughly half are in Divisions 4 and 5 which would confirm something like 3700 as the total population of Divisions, 1, 2 and 3.

MR. DAVIES: I wonder, would you tell me, please, in Divisions 1, 2 and 3 what is about the average quarter, as Reeve of the Municipality you can tell us about what the average tax would be on a quarter section, that would be paid in the year 1954?

A It would be roughly, on an average, between 175 and 200 dollars, on an average.

Q And you can take a low point to a high point and does that mean that the taxes there would be, some farmers out there pay taxes on a quarter section, as I understand it, of perhaps 3 or 325 dollars a quarter.

A It would be a little more than that.

Q What is the maximum?

A Three hundred and, approximately three hundred and forty five.

Q A maximum of about $345.00 and then the average assessment then is roughly how much?

A I wouldn't know that.

Q Take one of your own quarters, you have got a fairly good quarter that you live on, have you?

A Yes.

Q What is that assessed at?

A Assessed at 2900.

Q One more question. As an old time resident in that area and one interested in municipal government were you glad to see Jasper Place detached from your municipality and formed into a separate town or were you sorry to lose that?

A No, the request came in and we gladly granted it.

Q Did you find that urban area of Jasper Place a liability to your municipality?

A To the one extent, it was due to the fact that there was insufficient town planning at the time that area was being built up and we got into difficulty due to the administration of the Town Planning. Outside of that I don't think it would have been a difficulty.

Q Was their population then approximately five or six thousand when they detached or do you remember?

A No, it was about, it was more than that, yes, it was about 8,000, I think.

Q But you were glad to see them get detached, were you?

A Yes, they, they made that request and we granted it.

Q That is all, sir, thank you.

MR. BROWNLEE EXAMINES THE WITNESS:

Q Mr. Chairman, in the light of the -- at least in the light of the discussion with respect to the population of the Municipal District of Stony Plain, it is my understanding from another ratepayer, who was present, Mr. Lewis, that there has been a very marked growth in the last three years and that some of them estimate that the present population of that municipality might

Q (Cont.) now be in the neighborhood of ten thousand five hundred and I am wondering whether Mr. Evjen would support that estimation of the present population?

A At the present, yes.

Q Yes.

A Those figures that was quoted before was in 1951 the population of '51, that is right.

MR. ROBISON EXAMINES THE WITNESS:

Q I would like to ask the witness this question; where an area on the outskirts of the City close to a City has a population density of, say, four to an acre, or more would you expect that area eventually to become, want to become part of the urban or city area?

A No, I wouldn't know, if it was properly planned I think it would be just as well in the urban area, or in the rural area as the urban.

Q Well, the second question is this; where a population density of, say, four an acre or more is reached in an area of that kind, supposing that you had five thousand people would you expect them to stay with the municipality, rural municipality or would you expect them eventually to want self government?

A No, they, you would expect them to want self government provided they didn't get proper services from the municipality.

Q Do you know anything about the history of areas of that kind close to the cities?

A No, no.

Q Thank you.

MR. MOFFAT: There is one other figure here, I might just put into the record, from Exhibit 92E, which is the brief of Jasper Place, and shows the population as 71 hundred at the time it was set up.

THE CHAIRMAN: Have you any questions, Mr. Hayes?

MR. HAYES EXAMINES THE WITNESS:

Q Yes. Do you feel that when something is involved regarding annexation that the people themselves should have the right to determine what is going to happen to them ?

A Yes, I think so.

Q Where is your seed cleaning plant situated?

A At the Town of Stony Plain just east of the 5th meridian.

Q It is in the town?

A Yes.

Q And do you tax this plant?

A A portion of it.

Q A portion of it, the plant, not the machinery?

A That is right.

Q That is all.

THE CHAIRMAN: Thank you. Now, Mr. Dechene you have somebody else --

MR. DECHENE: Thank you.

THE CHAIRMAN: Thank you very much Mr. Evjen.

(The witness retires.)

MR. DECHENE: I will now ask Mr. Slaght. Sir, Mr. Slaght presented a brief on behalf of Division 1 and 2 and was sworn at that time, I don't know if it your practice to reswear.

THE CHAIRMAN: No, that is fine.

ANDREW DANIEL SLAGHT recalled to the stand on his former oath examined by Mr. Dechene, testified as follows:

Q Mr. Slaght, you are a councillor for the Municipal District of Stony Plain?

A Yes.

Q You appeared before this Commission previously and presented a brief on behalf of Divisions 1 and 2?

A Yes.

Q And at that time, had you had any consultation or discussion with Division 3?

A No, I don't think so at that time.

Q But subsequent to the filing of your brief did you attend a meeting with representatives of Division 3?

A Yes.

Q And as a result of those meetings have you changed your mind at all about the submission which you made previously?

A Yes, after we made the other submission we approached the government and they pointed out to us that from the educational angle the split we were asking for Stony Plain wasn't practical, and it was just about that time that Sturgeon River Number 90 was formed, they had about 120 to 130 odd school rooms which they considered was enough for any one municipality so we were too small to set up alone as a unit and Division 3 was wanting to come in so we got together with Division 3.

Q Now, therefore you are asking the Commission to accept your original brief subject only to the added recommendation that a unit be formed, including Division 3?

A Yes.

Q Now, Mr. Slaght, you mentioned the formation of a new

Q (Cont.) municipal unit and was that as a result of the recommendations of the Co-terminous Boundaries Commission?

A No, the Co-terminous Boundaries Commission, we never made representation of this to the Co-terminous Boundaries Commission, a split of our municipality.

Q But was a change made as a result of that Commission's work, north of you?

A Oh, Sturgeon Municipality, No. 90, yes.

Q Did that new unit effect your Municipal District of Stony Plain at all?

A Yes, we were added a little, it shows on the top of that map over there.

THE CHAIRMAN: Would you mind going over and showing it to us, Mr. Slaght.

A We were added this little bit here, there, that was from, I believe is about, from the change used to be in Morinville, I believe.

THE CHAIRMAN: Yes.

A It is now Sturgeon, the balance of Sturgeon River 90 and we also got this piece added on at the same time, we go out to Pembina now and we had this given to us from Lac Ste. Ann .

THE CHAIRMAN: That is quite a considerable increase in size.

A About, well, around a township and a half or a township and three quarters. Maybe I should explain this. I took this map and colored this from the tax roll yesterday or the day before, at the Stony Plain Municipal office and the red represents the acreage that is owned by the municipality, taken back for taxes and the blue is the

A (Cont.) Crown owned lands where we have no revenue and that amounts to approximately, in Division 4 and 5, which is, this is the split we are asking for --

THE CHAIRMAN: Yes.

A Between the -- this amounts to approximately 52,000 acres that we have no revenue and at the present time we have 328 parcels of land which are mostly quarters that are under caveat for taxes for the last two years which, I would say, I didn't break them down because there is no way of telling just which is going to be reclaimed, but approximately 75% of those are in this area. I think it is quite safe in saying that that picture would have a lot more color added to it in another year's time.

Q MR. DECHENE: So, in other words, the tax collections in Divisions 4 and 5 are of a much lower basis then they are in the other three divisions?

A 78% of the assessment comes from east of that line and 22% comes here. There is a little more than half the municipality in the area and a little more than half the population on this side. We maintain that L.I.D. 77 comes out here, 7 townships, follows the Pembina down from here and it is exactly the same kind of land as this and it isn't fit for self government. We maintain that this isn't fit either because it makes too much of a burden on the people to the east, here.

THE CHAIRMAN: Isn't it rather remarkable that the council or somebody didn't make representation to the Co-terminous Boundaries Commission?

A Well, it is my fault and I think I should take the blame

A (Cont.) for it because the day that the Co-terminous Boundaries Commission put their maps up in our municipal office, I, of course, started to argue right away and they said we are not here to argue. Well, I took it that that was it but later the council agreed, they pointed out to us that they intended to give us this and we did write to them on this, we got it anyway, of course, it just made matters a little worse.

THE CHAIRMAN: And your municipality has, barring these additions, has been in that shape since 1944?

A 1942, I believe.

THE CHAIRMAN: '42.

A We are doing a tremendous pile of development and it is very undeveloped country in this and the black soil or change of soil is practically through here, is more lake and rough country here and the cost of road building is terrific out there.

MR. ROBISON EXAMINES THE WITNESS:

Q Have you ever made any representation to the Minister about this?

A Well, I have been there so often that his secretary says it is just like old home week when we show up but they are considering it and they consider it this way that we are only like a hundred other municipalities but we maintain that we are not because there is no other municipality that joins a City on one end and L.I.D. on the other. We are in, in an unreasonably long stretch of land with such varied interest, that is the way we put it.

Q Well, do you think this is a problem that should be solved through this Commission or solved with the Minister?

A Well, the Minister says that he will consider it but we should make representation to you people. In other words, I think he is passing the buck but because we do join the city I think this is, we are in line for the Commission to consider our problem to a certain extent because this area is going to develop, it won't develop the same as Strathcona has, due to the location of the, from the City, I think, but there is a trend for development here and, as I think I made the statement the other, when I was on before that our planning today is, in our municipality is haphazard and the reason of that is that these fellows out here are not interested in our happenings out here at all because they are born and raised there and they actually don't come to the City very often and, well, it leaves us all sitting down there and we are really taking a licking.

Q The thing that bothers me is, having regard to the terms of reference of this Commission what can we say about splitting a municipality in two, miles and miles away from this area? Now, our terms of reference say " and surrounding areas" and that is quite true that you abutt the City?

A Well, off hand I don't know if you, the jurisdiction would go that far or not.

Q You think it is worth a try, though?

A Yes, I think so.

MR. HAYES EXAMINES THE WITNESS:

Q The District Planning Commission goes that far, doesn't it?

A Yes, it goes right, takes in the whole area.

Q Takes in the whole of the municipality ?

A Right, the Provincial Planning Commission takes in, I guess, after the L.I.D. I think --

Q Yes, the District Planning Commission takes in all --

A Yes, takes in our whole municipality, yes.

Q Yes, I think we are are interested in all of that area?

A Well, the meeting with the Department, Minister of Education, him and I never can see eye to eye on this because he says that assessment cannot come into the educational picture and I say assessment has got to come into the cost, cost of education has got to come in some where, otherwise there is a limit to even what we can pay out there.

MR. DECHENE EXAMINES THE WITNESS:

Q Mr. Slaght, have you anything to add to the explanation of, that Mr. Evjen gave about expenditures by divisions?

A Well, that, no, I cannot give anything but an estimate. Since the change in the Act that everything was to be handled as one unit, the Division taken out of it as far as public works expenditures I spent days out there trying to break it down and about the best I can do is for Divisions 1, 2 and 3, we have spent approximately $77,000.00 on public works against Divisions 4 and 5 of 80 thousand. Now, there is, I might say that there is $28,000.00 worth of culverts, the odd carload of bridge timber into that picture somewhere that it just has to be an estimate. I might say, while I am on this, that Mr. Aalborg did say on this particular subject that he thinks this is the way it should be done, there should be no divisions. Again, we don't agree because I say

A (Cont.) assessment still comes into the picture to raise the taxes, it has got to come into the picture somewhere to spend it, I would imagine.

Q I think you have answered or made all the statements that I wanted you to make, Mr. Slaght. Is there anything you wanted to add? Would you answer any other questions.

MR. ROBISON EXAMINES THE WITNESS:

Q Mr. Slaght, I would like to ask you this, in equity we should know, if we are to consider this adequately, we should have some information of what the people in 4 and 5 think. Have you ever, have they been apprised of what is going on here today.

A Oh, yes, I can give you their opinion, the way they gave it to me the other day.

Q Well, when you say they who do you mean?

A That is the councillor for Division 4 and 5 and I think there is, the council for Division 5 just went back in by acclamation. So I think his opinion is, should be pretty well what the opinion is of the people. They actually think they are paying more than their share now, they figure they are getting the wrong end of it and I try to point out to them that they don't even meet their share of the school requisition on a per pupil basis. Of course, there is, Mr. Aalborg says again, you can't figure it that way.

Q Well, they would be opposed to this?

A Oh, absolutely they are, for, were supposed to, Mrs. Woods our M.L.A. made a date with them to meet Mr. Hinman and Mr. Hinman asked me this morning why, he says

A (Cont.) he hadn't heard from Division 4 and 5, and, well, I said to him, this, that they are so sure we are not going to get anywhere that they are not worried.

Q Well, when giants can't agree what can a Royal Commission do.

MR. DECHENE: Mr. Slaght, then we can take your evidence that Divisions 4 and 5 are opposed to the request which is now being made to the Commission to separate the municipality in the way you suggest?

A That they are not opposed?

MR. DECHENE: They are opposed to it?

A Oh, they are opposed, definitely.

MR. DECHENE: They would not like to revert to local improvement administration?

A Oh, no, I discussed this actually with Division representatives from Division 5 and our M.L.A. and her biggest worry is wondering what was going to happen to them and now they see that five million assessment out in L.I.D. 77 and wondering how they can hook on and in fact I believe they held a meeting last night for the purpose of looking into it.

MR. ROBISON: I tell you one thing we might do, Mr. Slaght, and that is recommend to the Government that Divisions 1, 2 and 3 be annexed to the City of Edmonton?

A Well, I still believe it would be the lesser of two evils.

MR. BROWNLEE: Mr. Slaght, I wonder whether you attribute the lack of assessment in Divisions 4 and 5, in part at least, to the fact that there is quite a large amount of Crown land in those Divisions?

A Yes, and the type of soil.

MR. BROWNLEE: There is an unusually large amount of Crown lands in Divisions 4 and 5?

A Yes. Well, I think I should add to that that the only reason it is still Crown land is because it isn't worth buying. There was a lot of Crown land in Divisions 1, 2 and 3 at one time but it can be made some use of.

MR. ROBISON: Can you show us on the map where the Calgary Power Plant is going in, please?

A Right about there, I think about a mile from Wabamum.

Q You don't mind losing that assessment?

A Well, we are not going to lose much assessment there, I don't believe, under the Transmission Power Act, the Power Transmission Act all we can get is the building, it will be worth something all right.

Q You would be quite happy to let 4 and 5 have that?

A They could have it quite readily.

THE CHAIRMAN: Just take it and go somewhere?

A No, but I actually believe the Minister of Municipal Affairs and the Minister of Education are definitely, and I think in all seriousness, they are definitely waiting for the thing too, more or less waiting for some ruling or opinion from this Commission, that is the impression that they have given us, and, unless as I said before, they are just passing the buck.

THE CHAIRMAN: Of course, again, that is a game that more than one can play at.

A Well, could be that too.

<u>MR. HAYES EXAMINES THE WITNESS:</u>

Q Mr. Slaght, what is this educational tax, Repealed in 1954, what about that?

A I don't know.

Q I notice in your statement here at the bottom --

A They, I don't think I ever heard of it unless it --

MR. DECHENE: Mr. Evjen has the answer to that, Mr. Hayes and do you wish him to give it?

MR. HAYES: Yes.

THE CHAIRMAN: Just speak from where you are, Mr. Evjen.

MR. EVJEN: It is a few parcels of land to the northwest of Stony Plain, the northern part of the municipality that wasn't served by any definite school district, some years back and it was put into a special area and the educational tax was paid to the Provincial Government. Now, that land has been reverted into the school district and that educational tax has been deleted now and it is gone as the municipal assessment, as usual.

MR. ROBISON: Mr. Slaght, were you carrying on, Mr. Hayes, I am sorry.

Q MR. HAYES: Yes, in your hospital agreements, are those with City hospitals here?

A Yes, they are.

Q Then there is this health service and that includes the area further back --

A That is to range 4, 5 and 6 which includes Divisions 4 and 5. They have a public health nurse at Tomahawk and she services that area through there.

Q Then, this 3½ mills there is exclusive to that territory?

A Yes.

Q And you pay four mills --

A Four mills right across.

Q For the rest of it, I mean the territory tax of 4 mills goes into the City hospitalization?

A Yes, for 4 City hospitals. Incidently, on that subject I would like to mention a few things. We have, if the assessment of any ratepayers holdings are, don't, the 4 mills don't meet $7.50 on his assessment of 4 mills he pays the minimum price of $7.50. Now, we have 13 hundred of those in our municipality and they get the same hospitalization as the rest of us who pay our 4 mills but down in, or in any area these young fellows there, lots of them down in my area particularly all grow up on a farm and as soon as they become 16 they are not covered by our dollar a day hospitalization and they have to take out a minimum, which is $14.00 a year. Now, I'm just mentioning this to show you that we are taking another licking because at least a thousand of those 13 hundred minimum of $7.50, which are being carried by our 4 mills on our higher assessed land on our lower divisions, Divisions 1, 2 and 3 where a lot of the other fellows down there with an assessment of ten thousand we pay $40.00 and the family out further away west, in a low assessed area, and they get, that same family gets by with 7.50 a year which is just, I am not kicking particularly on this because I think we get more for our 4 mills than anything else but I am just talking about the varied assessment that hits us in there.

MR. MOFFAT: Mr. Chairman, I wonder if it would be a good idea to file that financial statement of Stony Plain, just so we would have it available, there has been some discussion on it.

THE CHAIRMAN: The Reeve said, I think, he only had one copy available, is that true?

MR. HAYES: He gave me this.

THE CHAIRMAN: Are there others.

MR. DECHENE: Yes, Mr. Chairman, we can obtain more copies.

THE CHAIRMAN: Yes, then, Mr. Dechene I will ask you to bring them, present them at the time you have them.

MR. DECHENE: Yes, very well, sir, on the matter of filing, would this marked map be of assistance to the Commission?

THE CHAIRMAN: Yes it would, indeed it would.

MR. DECHENE: I don't know if we can reproduce it.

A I have got ten maps made up that aren't colored, I can get them colored in.

MR. HAYES: Well, I like that idea of coloring in because it gives us an indication of what is good and bad there.

THE CHAIRMAN: Yes, Mr. Hayes, do you not think that if we had this copy filed for the Commission office that would be sufficient? I don't think Mr. Slaght should have to go to all that trouble.

MR. DECHENE: Thank you, sir.

THE CHAIRMAN: We had better mark the map now and then mark the financial statement at the time that Mr. Dechene brings them. This will now be 225.

MAP OF THE M. D. OF STONY PLAIN AS PRODUCED, IS ENTERED AND MARKED EXHIBIT 225E AND PUT IN.

THE CHAIRMAN: Am I to understand, now, that you are finished with your questioning Mr. Dechene?

MR. DECHENE: Yes.

THE CHAIRMAN: Are there any other questions of this witness?

MR. ROBISON EXAMINES THE WITNESS:

Q I have just one point that I would like to ask Mr. Slaght

Q (Cont.) before he stands down. This obviously is an important matter to your municipality, Mr. Slaght, otherwise you wouldn't have gone into the detail and taken all the trouble that you have. Now, you told us that Division 4 and 5 would be entirely opposed to this proposition of Divisions 1, 2 and 3. Is it your serious judgment and opinion that this Commission could recommend with what we have had presented to us on behalf of 1, 2 and 3, this Commission could accede to your recommendation and recommend to the Government that this Division of the municipality which has taken, be made, do you feel that this Commission has had presented to it enough evidence?

A I think you have the true picture as there is --

Q But that is the picture as 1 and 2 and 3 see it?

A I have tried to present it actually as it is.

Q Oh, I have no doubt of that but do you feel that, if you were sitting up here would you be satisfied that there was enough evidence before you to enable you to make the type of a decision that 1, 2 and 3 are requesting?

A I think you could make a recommendation to the Government for them to do something, maybe they will come out there, they tell me that Mr. Taylor, the Minister of Highways has been, had men out here surveying this situation with an idea of joining on to western territory. Mr. Aalborg, the Minister of Education, is compiling a report. From what they told us they definitely figure on you people making a recommendation one way or the other now.

THE CHAIRMAN: I think the answer to Mr. Robison's question

THE CHAIRMAN: (Cont.) is that the Commission will have to struggle with that, not you?

A What?

THE CHAIRMAN: I say the Commission will have to struggle with the answer to his question rather than to expect it from you. Now, Mr. --

MR. DAVIES: Just one more question, Mr. Chairman. Are you having some litigation there about the personal property level?

A Yes, Trans Mountain Pipe Line had a bunch of pipe in 1952, I believe, yes, when Trans Mountain built west and I think the, I don't think they are disputing the assessment, I think they are disputing the right to assess and it is still going to come before the Courts I think there is one item here, isn't it, yes, 42,300--

MR. DAVIES: 42 thousand.

A Yes, that was pipe that was piled at every side track in the spring and laid there for 30 days. Our assessor took it as pipe and Trans Mountain says it was pipe line so I think there is, I think it is up to the courts to decide now whether it was pipe line or pipe.

THE CHAIRMAN: Yes, well, now, then Mr. Dechene you have somebody else?

MR. DECHENE: Just one witness whose evidence will be short.

THE CHAIRMAN: I am afraid that we will have to hear him after the noon adjournment. I would be afraid to release him now subject to all the questions that he might be asked if he makescontroversial statements. You can produce him at 2:00?

MR. DECHENE: Yes.

THE CHAIRMAN: Very well, then, we shall adjourn now till 2:00. This witness is Mr. --

MR. DECHENE: Lutz, Arthur Lutz.

THE CHAIRMAN: Oh, yes.

(At this time the Commission is adjourned at 12 noon this same date and reconvened at 2 P.M.)

THE CHAIRMAN: Mr. Dechene, before you call your witness, I would like to remark to all who are here, that there is a very rigid rule that in the Court Rooms there must be no smoking, not only while the Court is in session, but, when the Rooms are otherwise not in use. The caretakers have been complaining that this rule has not been observed, I hope you will bear that in mind. Probably nobody here is at fault, I am talking to the ones who should hear it who are probably out in the hall now, or somewhere else, but, in any case you will assist me I hope in seeing this is noised abroad, oh, the new floor, we are told now that the new floor has been marred in more than one spot by people putting cigarettes on this new linoleum, or floor covering, whatever it may be, well, that must not be.

MR. DECHENE: I would like to call Mr. Arthur Lutz.

ARTHUR LUTZ, having first been duly sworn, examined by Mr. Dechene, testified as follows:

MR. DECHENE: Mr. Lutz, you are a resident of the Municipal District of Stony Plain?

A That is right.

Q Which division do you live in?

A In division three.

Q Division three, and, do I understand you have made a study of the effect of the proposal to form a separate municipal unit out of division one, two, and three, on the school problem?

A That is correct.

Q And, what did you wish to say about the result of that separation on the schools?

A I would like to bring to the attention of the Commission, just what would happen in the even that divisions one, two, and three would be a unit of its own as far as the educational problem is concerned, and, just how our path of finances in division one, two, and three would be affected by this situation.

MR. DECHENE: Go ahead please?

A I have here a number of figures which have been given to me by the Secretary of the School Division. There are in the division, there are 2,784 pupils, and divisions one, two and three there are 1,240 pupils, or 44% of the total. Divisions four, and five, there are 1,544, or 56%. In 1954 the average cost per pupil was $191.00, and, therefore, it would cost divisions one, two and three $236,840.00 for administration fees. The cost of administration to division one, two, and three were $236,840.00, the cost of transportation is $57,500.00. Now, the different grants which were enjoyed by divisions one, two, and three were as follows. The grant for transportation was $23,000.00, theper pupil grant, that is an average of seven, this is an average of $7.00 per pupil of 1240 pupils was $8,680.00. A grant for 50 classrooms at $840.00 per room were $42,000.00. Now the total grants amounted to $73,680.00. The percentage of the grant which was used in divisions one, two, and three was 37.5%, and 62.5% was used in divisions four, and five. The total portion of the cost of

A (Cont.) administration in divisions one, two, and three which is borne by the ratepayers is $163,160.00. The total assessment of the Municipal District of, the total assessment of the Municipal District is $8,262,830.00. The assessment of the divisions one, two, and three, plus the Town of Stony Plain which contributes to the School Division, is $7,632,430.00, the rate of levy is 34 mills. The amount of revenue raised for the schools by division one, two, and three, plus the Town of Stony Plain was $259,502.62. The rate of levy required to raise the percentage, to raise the present cost of administration of $236,840.00 is 34 mills. The ratepayers of divisions one, two, and three pay to the school division $96,342.02 over and above that which was needed for their own administration.

Now, therefore, we can see that the ratepayers of division one, two, and three paid $96,342.00 more in taxe money than they had required for their own administration, and, we were entitled to a grant of $73,680.00 which the ratepayers of division three did not need because, they had already contributed more than they are required. Therefore, this goes to show that divisions one, two, and three were $170,022.00 short of what was properly due to them according to the levy and grant.

MR. DECHENE: What is the transportation system for schools?

A Well, there are, I believe I am right, there are seventeen buses operating in divisions one, two, and three.

MR. DECHENE: And, are the centralized schools, particularly with regard to High Schools, are they located mostly in division one, two, and three, or, are they in the other two divisions?

A There is, the large centralization of schools is right in Stony Plain, however there is another one at Duffield.

THE CHAIRMAN: But, Mr. Lutz, there are High School facilities in divisions four and five, that was the question you asked?

A Yes, Duffield is in four and five.

THE CHAIRMAN: Is there not a High School at Tomahawk?

A Yes, there is one at Tomahawk, there are more High Schools.

MR. DECHENE: So that, there are High Schools in both sections?

A In both sections.

Q THE CHAIRMAN: Do they provide transportation to Tomahawk?

A Yes.

Q Now, in the three divisions which you propose to join, how many school rooms would there be based on the present school population?

A There were 50 classrooms operating in '54.

Q 50?

A 50, yes, there were 122 in the whole school division.

Q Now Mr. Lutz, I want to bring you back to some of the discussion which took place this morning, in particular to the questions which were raised in regard to the

Q (Cont.) industrial development in the Municipal District of Stony Plain. Would you please tell us what your views are on that development, and, what you think the future holds for the Municipal District of Stony Plain?

A Are you asking for my personal opinion now?

Q Well, I want to know from you what, if you can, what the general opinion is in the District. Do you think it will remain an agricultural area, or parts of it destinedto become industrial, I was going to say doomed?

A Well, I believe that generally speaking that the division one, two, and three will always primarily remain an agricultural district. However, I believe it is inevitable that the eastern portion here, that part which is lying alongside the City of Edmonton will in time become industrial.

Q Do you think there will be any objection from the population in general to those industrialized portions being annexed to the City from time to time?

A Well, it all depends on what services are required. I think there should not be too much complaint from the ratepayers there if they were taken into the City.

Q As long as the municipality doesn't have to provide the service?

A That is right.

Q So that, is it fair to say the reason why the municipality now wants, or asks for the revenue from what industry that does exist, is that fact that it has to provide services?

A That is correct.

Q And, that liability being taken off, the municipality

Q (Cont.) would not be so interested in receiving income from those assessments?

A I believe that is correct.

THE CHAIRMAN: Mr. Lutz, have you served as a Trustee in the division?

A No.

THE CHAIRMAN: Are there questions, Mr. Moffat?

MR. MOFFAT: No, sir.

THE CHAIRMAN: Any questions Dr. Harries?

DR. HARRIES: Mr. Lutz, are you a Councillor for the M.D.?

A No.

Q DR. HARRIES: You don't have any official capacity in the Municipal District?

A No, just a ratepayer.

THE CHAIRMAN: Any questions from the Commission. Well then, Mr. Dechene, thank you very much.

MR. DECHENE: Thank you Mr. Chairman for giving us so much time.

THE CHAIRMAN: We are very grateful to you Mr. Lutz.

MR. LUTZ: Thank you.

THE CHAIRMAN: Now, I think, Mr. Garside, you are ready to carry on with the presentation from the City.

MR. GARSIDE: I would like to call Commissioner Menzies.

<u>COMMISSIONER DUDLEY BLAIR MENZIES</u>, having first been duly sworn, testified as follows:

MR. GARSIDE: Commissioner Menzies, you are one

MR. GARSIDE:(Cont.) of the Commissioners of the City of Edmonton?

A I am.

Q How long have you been a City Commissioner?

A For nine years.

Q And, what was your position before that time?

A I was employed in the City Engineer Department from 1927 to 1935, and from 1935 to 1946 I was Chief Engineer for the Provincial Board of Health, and since that time I have been with the City as a Commissioner.

Q Would you mind giving the Commission some intimation as to your academic qualifications?

A I am a Civil Engineer by profession, having obtained my degree at the University of Alberta. I have a Master's Degree from Harvard in Sanitary Engineering, I think that primarily is the story.

Q Sanitary Engineering from where?

A Harvard University.

Q Well, I think the first in the series of questions I will ask you Commissioner Menzies is to describe to the Members of the Commission in very, very briefly, the Public Utilities of the City, such as the power plant, and the electric light department, the transit system, the telephone department and so forth; saying their capacities, and any information concerning their present or immediate future development. Perhaps you would like to sit down, Commissioner Menzies?

THE CHAIRMAN: Yes, please, this sounds like quite a long session.

MR. DAVIES: Mr. Garside, were you planning

MR. DAVIES:(Cont.) on starting out Commissioner Menzies into a discussion of the utilities for any specific reason, or, were you planning on cleaning up a lot of loose ends on different problems on the City policies that the Commissioner was going to deal with?

MR. GARSIDE: That might come later, sir, but my present purpose is so that you should know something about the physical condition of the utilities, and whether or not there is sufficient capacity to supply the Metropolitan Area.

MR. DAVIES: I see.

THE CHAIRMAN: You may just be seated if you like.

COMMISSIONER MENZIES: Well, probably I had better begin with one of the six utilities that we operate.

I might say, prior to last year, sewer-age was not considered as a public utility, but, The Acts were changed at that time I believe to include sewerage as a public utility, and, made for provisions for specific types of taxation with respect to that matter.

We therefore operate six types of utilities, sewerage, water purification, thirdly, water distribution, electric light distribution, our power plant, and the transit system. I gave you the telephones, didn't I -- did I mention the telephones -- add the telephone system.

Now, dealing with each separately, probably that is the better way, with respect to the sewerage system, I should like to point out, the major part of the area closer to the river is practically all sewered. There are certain areas on the outskirts,

A (Cont.) that still have to have that utility provided, and the fact that one or two of those areas have not been so serviced have very definite reasons. At the present time if I may refer to the plan over here?

THE CHAIRMAN: Will you go over there Commissioner Menzies?

A At the present time, the areas which are not sewered to a major extent, is that area, no, this is all done, this is all pretty well sewered in this direction, this one, all fairly well done in through here. We have a bit in this corner that is still to be done, but, much of it will be done this present year.

MR. ROBISON: Commissioner Menzies, I think for the record?

COMMISSIONER MENZIES: The northwest corner, maybe I had better say that.

MR. ROBISON: That is what I mean, just for the record, distinguish it, please.

COMMISSIONER MENZIES: We have a pocket in the northwest corner of the City which has not as yet been sewered, but, much of it will be done this present construction year. We have a fairly large pocket over in this, in the northeast corner, sometimes known as the Belmont District, which has not been sewered --

MR. MOFFAT: Mr. Menzies, with respect to the northwest corner, I wonder if you would distinguish between the part which lies to the west of the railway line, and the part which lies north of Calder?

A Do you mean this railway line, or this one?

MR. MOFFAT: Well, the Northern Alberta Railway I was thinking of.

A The Northern Alberta --

MR. MOFFAT: Into the west, and north, I guess the western boundaries, as distinguished from the area north of Calder?

A I am not quite clear what you want, but, I will come back. In this northwesterly portion the sewerage is practically complete, up to 111th Avenue, we are beginning to, and it is well started in the area between 111th Avenue and 125th Avenue, and much of it will be done by the end of the present year.

In the Calder area we are sewered, quite, for about three or four blocks back from the main line of the C.N.R. to the north. From approximately 127th Street on the west to about 113th Street on the east, that pocket there is sewered. There is a fairly large area lying between Calder, and, well, extending all the way across the top of the City there that is not sewered. The possible exception being in the vicinity of 97th Street, where there has been a bit of development for a long period of time, and, there is a small amount in that area. I might also say, that we have one large sewer coming down on 101st Street from the Griesbach Barracks, it is a storm sewer, and is not used for carrying sanitary sewage. We also have a smaller sewer, a twenty-four inch I think it is which is looking after the sewage from Griesbach, and also looking after the sewage from Namao, it is brought right in the sewer all the way down 97th Steeet, and, we have an arrangement with the Dominion Government to handle and treat their sewerage in our plants, and,

A (Cont.) we get an agreed upon sum annually for that service.

MR. GARSIDE: You mean the R.C.A.F. base at Namao?

A Yes, the R.C.A.F. Base at Namao, we are handling their sewerage through our system. At the present time the sewerage is finding its way into the river at three main points, one down in the south, there are two main points in the southside. One in the vicinity of the power plant, just south of the power plant, and the second one down at the mouth of Mill Creek, and our large plant handling the northside is located on the Flats just below Alex. Taylor School, that is roughly 95th Street and Jasper Avenue. These plants were built back in the '30's, two of them, and one shortly before that, and, they are outdated, and certainly overtaxed. It is not surpising to me that with the advent of industry and the problem that was being created in Saskatchewan that we were required to give more attention to the question of sewage disposal. As a result of orders from the Provincial Board of Health we have renewed, and rebuilt the plant in the Southside Park, which looks after that, the westerly portion of the southside of Edmonton, divided approximately by the main line of the C.P.R. Everything east of the C.P.R. is going to the plant down at the mouth of Mill Creek. We have renewed this plant in accordance with the wish, the requirements of the Provincial Board of Health, and we are at the present time, letting tenders for the construction of a new

A (Cont.) plant at this point, which will entail our building new outfall sewers at a point roughly here, down that point, and across underneath the river to this plant, and that trunk system will handle the whole of the northside. I might say that then, the next step we are required to do, to do away with the Mill Creek set-up, and arrange a new system of sewage which will lead from this area over to this plant as well. We will be handling all of the sewage from the easterly half of the southside, and all of the northside in this one plant, which is being designed at the present time to take the sewerage from approximately 300,000 people. It has area, however, and capacity that it could be expanded to much larger than that should it be deemed necessary at a later date, but our present proposal is to go ahead with the capacity up to three hundred thousand. You might raise the question with me, the City has not reached that point yet and it may be some years before we do that, you might say, "Well, why don't you design for just 200,000, and add year by year". Anyone in the utility business will know you have to design practically any structure of utility type in blocks, and, you have to at some time over-design with the idea of catching up in a year or two. Knowing it is cheaper to do it that way than to keep on adding successively every two or three years, and, moreover, you usually get a better operation by doing it.

That plant, maybe I should, if the argument that the City has been putting up that this should ultimately become the City of Edmonton.

A (Cont.) That plant has the capacity to handle that area. From the sanitary standpoint it will entail our laying a sewer, a trunk sewer, somewhere around here, around the lower portion in through Beverly, and it would mean another river crossing over to the plant, if we decided that was the best way to do it, that is one way we could do it. There is always the other possibility that it might be advisable to build in this general area, the economics of the situation would determine that.

Now, I should like to point out that we have, this area here has given us a great deal of difficulty becuase of its topography. I'm sorry, I didn't mention the place, this north-easterly corner has given us trouble, in that there is a draw leading down from the general area of the Swift's, and, it leads in an easterly direction to the river. Once it leaves the City of Edmonton, it crosses the farm of Mr. Lee Williams, first of all, and then it enters the farm of Milner and Steer who have a large development here. In order to drain that area from a storm standpoint, which is the type of sewer that needs the large capacity because, you have the rapid run-off. We have, someone will have to get a large sewer from this general, from roughly the vicinity of, oh, 29th Avenue and about 56th Street to the river, and, on various occasions I have discussed the matter with both Mr. Williams and with Mr. Steer. We had hoped at one time we might be able to, there is a ravine there, a fairly deep draw

A (Cont.) as it approaches the river, that, we might be able to turn the storm sewerage into the draw far back from the river and let it run open from that distance, but, unfortunately Mr. Steer has a large stock farm there, and, there are a number of springs that allow their water to find its way down the Creek, and he is using that water for the watering ofthosecattle. Were we to put this surface run-off into that creek, we have always been worried about injunctions and so on, and we do feel that when that is ultimately done, it will have to be done as a closed system, pipes rather than an open system. Now, that is an expensive pipe, to show you one of the problems that arises. When we started to consider the design of that system, we have to know what area we are going to drain. If we only had to look after our own problem here, we will go conceivably right across the top of the City, and we can go quite readily out to roughly the area where the Cement Company is considering building. Our engineers have estimated for our own purposes and those of the general area here, we will need a pipe in the order of 96 inches in diameter, that is an eight-foot sewer, and, you can realize that is a very expensive type of construction. If, on the other hand we can leave out these areas, we can reduce the size of the pipe somewhat. You might say, if you know the topography of this part of the country, the slope is towards the river. Every spring the run-off from the M.D. of Sturgeon moves towards the City, and into the City, and we have to handle it.

A (Cont.) One of the big problems in storm drainage is the rate at which the flow reaches you. If it comes slowly off the farm land, and you get it over two or three weeks, obviously it doesn't need the size of pipe that you get off an area such as you have down town, a developed area, or where streets, grading, and so on has taken place, and where you have curbs. If this is to remain rural it wouldn't need to be as large a pipe, even if it were out in the municipality.

One of the reasons we have been slow in developing that area has resulted from our inability to tackle this question of the outfalls. First of all it is outside the City, we haven't known where we stood in this particular area, and, we have never finally reached an agreement with the owners of the land over which we have to go.

So much for that side, coming to the southside now. This plan, the topography, this land out in this general area slopes in, this land out in the extreme southeast is considerably higher than the land in the City. It is a matter of hundreds of feet in some cases as you go out this way, and obviously the drainage is to the northwest in general. When much of the drainage from this area finding its way into the river through a number of small ravines that you find coming in periodically into the river. This plant, where it is to be developed, and were it to be in the City, we have done enough prelimary studies to find it can be taken in, and could be accommodated in that plant if it were required.

A (Cont.) This area down in here with the, I am sorry, I must be more specific. With respect to the area in the southwest corner of the City, and, were the area shown on the plan added; it would mean we would have to have a new storm, sanitary sewer leading from the general vicinity of Mill Creek, and about 76th Avenue, going directly west to 105th Street, then directly south to the City limits., and then west into this area. With the exception of approximately one quarter, or two quarter sections, we can handle sanitary sewerage from that area in our plant.

Now, you might raise the question, "What will a sewer from that point, which to over here cost". Assuming it will go somewhere in the order of a million and a quarter dollars, and, if it were only being put in to develop that little bit of land that we have, it becomes a question as to whether it is advisable to do so. On the other hand we have found that in the last few years, with the great growth on the southside, that our sewers in many of the down town areas are over-taxed, with the result that in very heavy storms on the southside, in the vicinity of King Edward School for example, around the Strathcona High School, around the Southside Athletic Grounds, we are experiencing undue flooding. And, we have to come in and provide relief in the next year or two for that, irrespective of whether we have possession. Such being the case, this project would be part and parcel of the relief of this area, and, that is the way we have been considering it at the present time.

DR. HARRIES: Excuse me, Mr. Chairman, are we talking about sanitary sewers, or storm sewers?

A We are talking about sanitary Mr., Dr. Harries.

MR. ROBISON: Would you clear up something for me Mr. Menzies will that sewage disposal plant take care of all the area of Strathcona, shown on the map east of the river?

A East of the railroad --

MR. ROBISON: No --

A East, out to here you mean --?

MR. ROBISON: That is correct, east of the river.

A Well, as I say that plan will take, as we are presently designing it, it will take sewage for 300,000 people, and it can be, we have enough land available to go to a million if we have to.

MR. ROBISON: And, in other words --

A And the slope of land is this, with the general movement is that way.

MR. ROBISON: Even up to the north?

A Around here, I wouldn't want to say too much in there, because, I am not well enough acquainted with the topography there, you see. I don't want to commit myself on that without further study, but, definitely in this corner, that is the case.

Following up on Dr. Harries inquiry he said, "Storm versus sanitary". I would like to point out, that this area on the southside, going back to the days when the southside was, first came into being. It was sewered on what is known as the combined system, that is, the same sewers that carried the run-off from houses, at least the sewage, flushing of toilets and the like, also carries the roof water, and the run-off

A (Cont.) from the streets, and, obviously to relieve this, this area in here, it has to be what is called a combined sewer rather than that. This sewer I am talking about being built in here would be combined part of the way, and sanitary part of the way, but, the whole flow from that area would end up in that plant. I hope I have clarified that one point. In so far as surface drainage is concerned in this area, our studies have shown --

MR. MOFFAT: Could you identify that again for the record please?

A Oh, I'm sorry, in so far as the drainage of the southwesterly portion of the plan is concerned, our studies have indicated that the logical way to take that run-off away, is to the west, and north, through, in connection with White Mud Creek and so on. It is not a major development, it could be done without too much trouble. Now, that is primarily the sewage problem as I see it, if there is any questions I could answer, I would be glad to do so now. If not, I will go on to the second item, and take water.

Our water for distribution is obtained from the river at the power plant. It is pumped from the river, part of it is treated for drinking purposes, and part of it is used in the power plant proper for cooling purposes.

At the present time we have filtering capacity down there to handle 25 million gallons of water per day. Ten millions of those gallons are part of a plant that was built in 1910 or '11, somewhere in there, and is obsolete, but, we have had to use it in the last few years for peak

A (Cont.) The other 15 million gallon capacity is a modern plant, and has been in operation for four or five years, but, at the time that plant was built, provision was made for enlarging it by the addition of additional filters. A year ago we went before Council and pointed out that the old filters were now obsolete and that if we were to run into a very warm summer that we could not provide enough water with the capacity we have. We recommended we be authorized to add the additional filtering capacity. This was authorized by Council about a year ago. It entails the adding of filters which will allow us to filter daily, forty million gallons a day, and will entail us in an expenditure of roughly $2,000,000.00, including the filters, treating equipment, and the additional pumping capacity which we will require. That plant will be completed, I hope, by this time next year, and we will have that capacity.

As far as treatment is concerned, we are subjecting the water to the ordinary treatments which all surface water is ordinarily given. We provide one additional treatment that many cities do not give, namely, "softening"; which we estimate costs us roughly in the order of a cent and a half per hundred cubic feet treated. It may interest you to know, that after we have treated the water and have it in our reservoirs, our storage reservoirs ready to go out through the high-lift pumps, that we have, it has cost us roughly six cents a hundred cubic feet to get it to this point, and, it is at that rate that we charge the water out from our power plant operation to the water distribution system. It is actually six and a

A (Cont.) quarter cents per hundred cubic feet, you have seen some of the rates, and they are all in hundreds of cubic feet, and you can get the relative picture from that standpoint. The question was asked the other day, that if we were to, I notice it in some of the previous questions that have been put to some of the other people, the question of adding of Fluorine, or Fluoride as to the cost. I might say that is a very, very insignificant form of treatment, and, to my way of thinking is insignificant in the picture from the cost standpoint. We may be talking of 10 or 15 thousand dollars a year in a two or three million dollar operation, so you can see the relative significance so far as cost is concerned.

I might say now, if you want to compare our water system with many water systems in other cities in the West. We have a problem that most of them are not confronted with. We have a very high head against which to pump. The fact that the main part of Edmonton is up on a height, and the river is down below. Calgary hasn't, they have a bit of that problem, but not nearly as much as do we. Winnipeg doesn't have that trouble, Saskatoon doesn't have that trouble, and, Regina doesn't I should say. Saskatoon has it in part, but they have not the elevation to pump against which we have, and pumping cost, entails cost, and reflects itself in your water rates if you happen to be comparing costs of water in one city as against another.

MR. DAVIES: Mr. Menzies, what population would that new plant which you have serve, when you have it

MR. DAVIES:(Cont.) up to 40 million --

A You have to have that explained to you in one way or the other. Right at the present time, we are pumping approximately 18 million gallons, an average of 18 million gallons a day, but, one must remember that in the summer time, for one or two or three days at a time, you will go up as much as 150 to 200% of that, and for a period of an hour you will sometimes go up to 250% of the average. I mean, just for that one hour, you always have to have that spare capacity on hand. Now, you might raise the question, coming back to your question. It is generally conceded that a City such as Edmonton requires somewhere in the order of 100, to 150 gallons per capita per day. The trend is definitely up in the North American continent. When I took my schooling we used to always arbitrarily use 100 gallons per capita per day, but, if one reads the literature and studies it,you will find that in the bigger cities that it is definitely on an upward trend, and one has to take that into consideration.

We have storage resevoirs at several points in the City. We have a storage reservoir up at Swift's, a million gallon tank at the Swift Packing Plant. We have a 250 thousand gallon elevated reservoir in Calder. We are in the process of building a 12 million gallon underground reservoir in North Calder at the present time about halfway between the two elevated tanks. We have provisions made for a future elevated tank on the southside in the vicinity of 53rd Avenue and 99th Street, along with an eight million gallon underground reservoir.

A (Cont.) The function of these reservoirs is to equalize your pumping rate, so that, you can keep your pumps running fairly evenly and at such times as the draft is not heavy, you can be storing, and then when the big load comes on, you draw from the reservoir, and in that way you can keep your pumping more equal, and you can get more efficient pumping. That is the function, as well as to provide standby and the like.

I don't know if at this time you would like me to deal with the question in so far as the M.D. of Strathcona is concerned, or, if you would just as soon I would go ahead and explain our own operation, and come back to that later.

MR. GARSIDE: I would just confine to the present capacity.

A All right, I think that primarily is the water story. You have been given the rates, I understand, and I can give you any further information like along that line later if you so desire.

MR. BROWNLEE: Excuse me just one moment sir I wondered whether you were able to reach a conclusion as to the population that would be served by that?

A By that 40 thousand --

Q By that 40 million.

A The 40 million, if you divide 125 gallons into 40 million you will get it in terms of population; it is three hundred and something, three hundred and something thousand, I haven't got the other figures.

The third, the third utility we operate is our power plant, and we do not, we

A (Cont.) differentiate and divide our production side of power from our distribution. In other words, down at the power plant they generate power, and then they sell it to the distribution system. We have two superintendents, a superintendent in charge of the power plant, and a superintendent in charge of distribution, and one just sells it to the other, they are operated as separate entries. We are comparable to Calgary in that Calgary takes its power from the Calgary Power, and does its own distributing, and our distribution system is comparable in that respect.

The power plant at the present time has two 15 thousand kilowat generators, two 30,000 kilowat generators, that is 90,000 in all. We are just at the present time completing, and building, and installing the boilers for a third unit, for an additional unit I should say of 30,000 kilowats, and that will be ready for operation before next winter. We have also been to Council pointing out that, by the winter of 1957 - '58 we will again need an addition, our load will have increased to the point that, we are proposing to go ahead with the addition of another 60,000 kilowat generator. We have started to get the plans ready for that; we will be calling for tenders for the generator within the next week or two for delivery thirty months hence. This question of power, you have to see a long way ahead, because deliveries are slow and you have to make plans a long way before you are actually ready to go. That plant indcidentally, the boilers that are producing the steam to turn the generators, is all being converted to gas as you know.

A (Cont.) We had six boilers on, four boilers on gas, and two on coal, and we are now taking steps to put the whole plant on gas operation, and we will continue to do so until something, until we see anything to merit changing that policy.

MR. BLACKSTOCK: Have you any standby fuel?

A Oil.

MR. BLACKSTOCK: Oil?

A Yes, we have oil standby. I don't know if there is anything very much more I could say just now. Maybe your questions will give me a line on what you want to know with respect to the power plant a little later. I think I have given you fundamentally the picture. I can give you the figures. We are producing power for roughly, half a cent a kilowat hour, and it is sold to the distribution system at a higher price than that, and also to the transit system for its operation, and it is allowed to make a profit on that as is the distribution system as a result of its operations. Going then to the next utility then is the distribution system.

MR. GARSIDE: Just before you go, could you tell us the actual capacity in kilowat hours manufactured, and whether or not, how many, what area that would be sufficient for, that circulation?

A Oh, I don't think you could say it in terms of area, Mr. Garside. You could have a very concentrated load in a very small area, and you could have a very, it can't be put in terms of area I don't think very well.

Q Well, you will have 120,000 kilowat hours by the end of this year?

A 120,000 kilowat capacity.

MR. GARSIDE: 120,000 kilowat capacity by the end of this year?

A By the end of 1955, ready for next winter's operation, that's right.

DR. HARRIES: Just one point, you saidyou were going to add a 60 kilowat?

A A 30 this year, and we are taking steps now to add a 60,000 between now and 1957.

DR. HARRIES: Thank you.

MR. ROBISON: It would be 180 in all?

A That would bring it to 180, and that plant, that plant is laid out so that two other 60,000 can be added at a later date there, the ground is there and we are lining it up on that basis.

Going to distribution, we are carrying all the distribution in the City of Edmonton, and we have a number of lines that go outside the city limits, as you have learned from previous questioning. It has always been my policy, since I have had anything to do with the operation not to encourage going outside the City limits, and trying to interfere with the utility, the ordinary power utilities that are to the east, and south, and west of us. Unless, it could be shown that there was an area asking for service, which it was not economic to serve from the Calgary Power. Usually when we have done such a thing we have consulted with them, and asked them if they wanted the load, if they said "No, it didn't justify our going there". We have on occasion put in the odd small line, they are all pretty small. The biggest,

A (Cont.) we have three or four lines going out east that were there before the Calgary Power people came into the area at all, and they are still in operation. We have the operation, as you know, going out to the Namao airport, which was the result of a deal which was worked out between the City and the Dominion Government during the war years, and, they take power from us for that operation. Our schedules, they have been presented to you I understand, I think that our power, that our power rates in general are comparable with most cities in Canada. We have unfortunately, as far as operating is concerned, a very poor load factor. A load factor, by that I mean, we would like to keep,obviously we would like to keep all the generators going all the time if we possibly could, not four of them going for two hours on the 24th of December, and sitting, and maybe three of them idle all summer. If you can try to find a load that will keep those going, you try to do so, but, it just so happens in Edmonton that we haven't got the demand such as they have down in Calgary with the Nitrogen Plant. If we had Celanese, that would be a type of load that would be very desirable to have, because, it is going all day long, and is very desirable, and helps you to bring your operating costs down.

MR. BLACKSTOCK: What would your load factor be?

A Oh, it is, if you want that specific, I would rather get it, and give it to you tomorrow, I am not sure, offhand I am not sure right at the present time, but, I know it is comparatively low with what we would like it to be.

THE CHAIRMAN: Mr. Menzies, have you completed now the distribution, water, and power, I am just trying, we usually have for the sake of the reporters a break at about five minutes to three which is about this time, and I want you to come to a suitable breaking-off point, and then return in about ten minutes?

MR. MENZIES: Well, I think that --

THE CHAIRMAN: This is as good a place as any?

MR. MENZIES: -- to break, I think I have given you in general the story of distribution, you know our rates, and you know our policy, and I understand you have studied this considerably before. I would be glad to try and answer questions later on. This would be a good time to break, yes.

THE CHAIRMAN: All right, we will take a recess until five minutes after three.

(At this point the Commission adjourned until 3:05 and reconvened.)

MR. GARSIDE EXAMINES THE WITNESS:

Q Would you continue your discussion, sir?

A May I sit down?

THE CHAIRMAN: Yes, until you have to go over to the map.

A It won't be long.

I pointed out before that our power plant does two -- performs two functions, producing power and treating and pumping water, and that the product is turned over to two distributing utilities, the water works distribution system and the power distribution system. I dealt with the power question.

Coming now then to the next utility, the water distribution system.

I should like to bring to your attention the fact that when a water system is designed, a water distribution system is designed for a city, that you have to keep two major points in view. One is the domestic requirements of the people, drinking water, washing, baths and so on, but also you have to keep in mind the question of fire protection. As a result of this requirement, this fire protection requirement the mains that you have to build are very, very, very much larger than we would require if we only had to produce for drinking, ordinary household uses. Those mains lie all over the city full of water under pressure, and can be drawn upon if and when a large fire occurs.

In laying out your distribution system you have to have a series of large pipes forming a grid. That is the more likely -- the analogy to the body

A (Cont.) would be the larger arteries, and then you have to have these small mains connecting between the large pipes and the grid.

Now, on the outskirts of the city in many parts we have fairly large pipes, for example, right up against the Town of Jasper Place we have a number of large mains, twelve inch, and going back a little farther from the boundaries we have 21's in that order, and likewise, if you go over on the easterly boundary of the south side, that is next to the M.D. of Strathcona we have three large mains going out right to 75th Street which is the easterly boundary.

Maybe I could just show you that on the map.

At the present time we have one main that comes down through this general area here, through there. It has a feed across the Dawson Creek Bridge, and it also has a feed across the Low Level Bridge, and it is also tied in with the whole system as one big system. Water that is actually pumped from the plant here over the river, over the '5th Street Bridge can ultimately find its way out here, I mean, it is all tied together and it is not blocked.

We have one main, as I was saying going out into the Municipality, and that is a ten inch that has been referred to before, which leads out into the Municipality and ends out there in the reservoir which they built not very long ago.

We, however, at 96th Avenue, I think it is, and 75th Street have a 16 inch main coming out there to the boundary line, turning south as a twelve and

A (Cont.) connecting up with another twelve inch main on Whyte Avenue, so, that we have three points where we have large mains adjacent to the municipality. They are connected to one of our tens, but we have a sixteen and a twelve at the present time that are there, and if the question were to be asked me later, would they form part and parcel of serving that area, my answer would be yes, they could quite easily be used for that purpose.

DR. HARRIES: Would you identify the area, please?

A Well, the limiting feature, of course, would be elevation. I haven't got a topographical map here. Obviously we have got so much pressure and we can pump until that pressure is used up, and then you will have to go into the question of repumping if you wanted to go higher up, which is exactly the problem the municipality is also faced with if they want to put water farther west than their reservoir.

THE CHAIRMAN: Farther east?

A Farther east, I beg your pardon.

THE CHAIRMAN EXAMINES THE WITNESS:

Q Well, Mr. Menzies, I don't know whether this is the time to ask you this question or not, but yesterday afternoon we had representations from the Belmont Ratepayers Association, and they talked about the area; if you will look at the map, numbered -- you will see those large numbers, 28, 249 and 21?

A Yes.

Q Yes, and quite a point was made in their brief of the

Q (Cont.) fact that it hadn't been possible to get water to serve all of the North Edmonton, what used to be the Village of North Edmonton, and they would have some hesitation about coming into the City if they were likely to be as long delayed in getting water service. You have dealt with the question of sewer for that area, but would you say something about the possibility of water?

A Well, if I knew what was coming in I could give you -- assuming this were brought in?

Q Yes, that's the area.

A We would have to, we do know our pressure is low at this point, at the north easterly corner of the city.

Q As it is now.

A Yes, and that is partly due to the fact that we have a ten inch line going from that point out to the Mental Hospital at --

Q Oh, Oliver?

A Yes, at Oliver, we supply water for Oliver. They draw off water very heavily, and as soon as you begin to draw water from any one point you can only do so by dropping pressure, and we do know that there is, that the pressure at that point is not all it should be, but as a result of negotiations that were made last year by the St. Mary's Home.

Q Yes.

A Which is located in that square 249.

Q Right at the corner?

A Well, it is just a little east, it is roughly about there.

A (Cont.) We are putting a main across there, another main there and we expect to put a north-south main here to further supplement the pressure at this particular point during the present year.

The Government also has a connection to us out to their building, Alcoholics Anonymous, and that is one of the problems we are up against, these sprouts going out all the time, and negotiations and agreements, and I favor those agreements to be -- personally, and I think our council does, but they do present us with a problem in that you make an agreement, for example, between us and the Government, and usually in the agreement we stipulate that no one is to be allowed to tap onto that line except at the, except with the consent of the Government and of us. Well, we hardly get the main in before somebody who lives a block away or two blocks away from that main wants a connection, and you can carry it to an extreme, and you can create all kind of problems in metering, because we have a master meter right where the water leaves the city, and therefore, anybody that taps off goes through their meter, and unless you have meters in the house and meters -- it becomes an objectionable feature. Moreover, I should also at this point like to point out that these sprouts that go out all over, both in power and in water later can be a regular nuisance to you when you come to try to subdivide, because they don't follow any -- half the time they are right across a farm. They take the shortest route to get there, and then, later

A (Cont.) on when you come to subdivide you find that the things are not in the right place, and you have either to scrap them or start and try to plan your subdivision around a pipeline instead of -- it is the wrong way to do things. You should plan your subdivision and put the pipes to fit the subdivision, not put the pipes in first and fit a subdivision around it, and we are always being confronted with that.

Now, I might say that the Inland Cement people who are going on that parcel right there have been to see us about getting water lines out to them to go from here. They need water for their operation, and the same problem comes up in this question, of shall anybody be allowed to tap on and we, we have to protect ourselves. I don't know how many agreements we have with these sprouts going out into, different ways out of the city.

Q Well, Mr. Menzies, if you were one of the persons living along that, the route that that pipe is going to take to get to the Inland Cement, it would be very hard to convince you that you should not be allowed to get water from that main, wouldn't it?

A It would be, and your public relations come into it. You turn them down, you feel you have a good reason to do it, they haven't paid their share often times, but notwithstanding you have a hard, hard time convincing them that if a water main goes by a certain place you shouldn't give them a connection.

Q Well, what is your major objection to these connections?

A Well, there is several.

Q The size of the pipe?

A Well, often they are very small and they won't hurt the quantity or the pressure very much. You could get large ones, of course, and then, of course you would be drawing off so much water that the man who originally put it in won't be getting what he bargained for, and then, you have the trouble with the metering which is definite, and you have the question of the maintenance, usually many of these make no provision for maintaining the thing after it is, after it is in, and if leaks occur, well, then, unless you got your meter at the right place it is we who would take the -- we are very careful to watch that the meter is put the place so that if a leak develops it is beyond our meter and not in front of it which is only good business on our part.

I was trying to draw to your attention the fact, however, that we have many large mains on the outskirts of the city that are there for one purpose, for fire fighting. They are lying there dormant waiting for some fire to occur at some time, and they can be used quite readily for distributing water to outlying areas, as long as you are sure that you protect yourself, if there is a fire you are not going to suffer on that account.

I, at least we as Commissioners put in a report two or three years ago to Council when we decided we had to change our, increase our water rates, and if you would like to read it, I have a copy of that report outlining what increase we proposed, and outlining the principle, the principles

A (Cont.) behind our reaching that decision. We put -- it is agreed among water works engineers all over the continent that the whole cost of water supply should not be borne by the, in terms of what is metered, or what goes into the house. In other words, the big buildings downtown here who have fire protection in the mains going by there and that will come out the hydrant and fight their fire have a responsibility from the fire fighting standpoint as well. Downtown here we have to have twelve inch and fifteen inch and eighteen inch and twenty four inch mains for the higher, depending on the height of the building, and our structure, our water structure is set up keeping that in mind, and if you would like to see that report; that report was made to council at that time setting up our present schedule, and see the basis behind it, I would be glad to provide you with copies.

Q Yes. Well, we will discuss that with Mr. Garside.

A Yes.

Q After you have completed your --

A The rest of it, the rest of the water distribution end is routine, we lay the mains in the streets, we put in the services where they are required. We obviously -- I -- it is common sense and it is logical and we try to keep our development consolidated and try to get as much developed on new mains as we possibly can. To my way of thinking that is the thing that was wrong with Edmonton in 1913. They got in this speculative boom and got stuff sold out here, here, here, here, and the first thing you know

A (Cont.) you saw a sprout going out like that, a sprout going out like this and everything in between left vacant.

Now, I am quite humble in saying, I have advocated and followed a policy of development in the city in the last eight years of trying to fill all the spaces and try to use up all the capacity that we had installed before we started to go out and add to our system. It wasn't always possible to be quite true, because there are things that enter the picture that upset that, but I have tried to advocate the policy of use up what you have and then add rather than get out on a bunch of sporadic developments with the result that we have now reached the point that we are practically solid, solidly built-up in many parts of the city, and we are moving into our undeveloped areas now again this year, and if the rate keeps up we will have them pretty well all filled in in a matter of a few more years.

MR. ROBISON: Mr. Menzies, I am not clear as to why there are three large mains on the easterly boundary.

A Well, they are part of the grid, Mr. Robison. As I was pointing out before, in laying out water mains in a city we will probably have a fifteen inch maybe going along on 102nd Avenue, a large one. Our next fifteen or twenty one inch will probably be two or three blocks running parallel to it, and then we will connect north and south, and that becomes your grid, and you -- and then you put your small pipe in the space surrounded by these large pipes.

A (Cont.) Now, those pipes leading out are part of our grid to look after our own property inside the city. They come out and then they tie along this line.

The reason you have the grid, I might say, another reason is that you can cut off, if you have a leak at one point you can shut it off, and the water instead of only coming in one way will come in the other way, and you can block off a block or two blocks at a time while you are doing the repair, and that is why you protect yourself with these series of pipes, so that you can put it out of operation for awhile if it is necessary.

We put those pipes in there -- our pipe system out there wasn't put in primarily with the idea of looking after this area, it was put in primarily in connection with our fire fighting set-up, but we have the capacity there in our fire system to give house service in a much larger area if it is required.

DR. HARRIES: One question there, you are not implying that you have capacity out there to look after industries, simply the residential development, for example, it might go to 50th Street?

A Correct.

DR. HARRIES: Fine, thank you.

A I might also -- well, that is, that will come as another point and I will just leave that one.

That, I think, completes water.

There are two left, the telephones.

We are unique in Canada in having the only, at least, I think there is one other, municipally

A (Cont.) operated telephone system in Canada. Our system dates back to the early part of the century, and I think we have a -- in terms of operation in other parts of the country, a very efficient system. We have a minimum of multiple systems, three, two and three and four people on one, so that if I ring, my three neighbors can listen in on the conversation; we have kept that as much as possible to a minimum. We are exactly like every other system in Canada, we are behind in installations. We are lagging right now in the order of five to six thousand installations, but I understand the situation in Calgary is practically the same with the Alberta Government Telephone System. I keep up to date all over Canada and find that that is the situation all over. Out in Vancouver there is even worse, one of the worst -- the party lines out there they have ever so many party line systems in the system in Vancouver.

Our rates I feel are comparable to any in the North American continent. Our residential rate is slightly less than the Government Telephone rate in Calgary, but our business rate is slightly higher. Our council felt that they wanted to give the break to the residential user more than to the business. The discrepancy is only in the matter of 25 cents a month, something in that order, but I think we are giving a good service. We get lots of criticism because of this inability to keep up with the demand, but it is a very involved problem,

A (Cont.) and I really think our people have done a good job in trying to cope with the abnormal growth in this city.

One of the problems that we are confronted with in our telephone system, as Mr. Hodgson pointed out was this, that we do not participate in the long distance tolls. We do not get any revenue from that, and if we had that, well, we would really have an operation.

MR. GARSIDE: At this point, the question was raised, a question was raised during the hearing as to whether or not the city served the Griesbach Barracks by telephone?

A Yes, we do.

MR. GARSIDE: And by light?

A And by light.

MR. GARSIDE: And water?

A And water.

MR. GARSIDE: And sewer?

A And sewer.

MR. GARSIDE: Is the same applicable to the R.C.A.F. Station at Namao?

A That's correct.

MR.ROBISON: I don't know whether you want to answer it now, but at some time while you are on the stand I would like an answer to this question, whether you think it might be advisable for the city to dispose of its telephone system to the Government?

A I don't think we should at the present time. Our rates are -- we are running equally -- if our rates

A (Cont.) were running behind theirs I might give it consideration, but as long as we are giving comparable service and comparable rates, I think there is merit in having a bit of competition.

MR. ROBISON: Apart from that, there is the question of capital involved in the operation.

A That's true.

MR. ROBISON: Whether it could be more usefully employed in other ways.

A Well, that could be argued.

THE CHAIRMAN: Roughly, Mr. Menzies, just in a word, the reason for the lag in installations, inability to get the work done or the supply of stations, central stations, or what, or is it a combination?

A It is a combination of them all.

We have built three new exchanges in the last three years, and an exchange takes a long time to build and to get into operation. That has hurt the situation.

Another thing that the telephones have had to take the blame for and which is not wholly theirs in our operation is this; that we have been trying to re-subdivide and prepare our areas with subdivisions that differ from the original ones. Many of our old subdivisions made no provision for parks or schools or playgrounds or anything other than just block after block after block of lots, and whether it is right or wrong, you can argue both ways, our town planner has been advocating trying to get a little more diversification into the development, and the telephone people obviously cannot

A (Cont.) get their equipment ordered a long time ahead until they have a plan. That is, the layout for the poles, where their vaults are going, the length of their ducts and so on, and they have been delayed on that account to some extent which hasn't been wholly their fault.

MR. DAVIES EXAMINES THE WITNESS:

Q Mr. Menzies, are there cities in the United States that own their own telephone systems municipally? What I want to get at, on this practice of whether or not a city should share in the connecting charge for the long distance system, what is the precedent elsewhere on that?

A I am sorry, I couldn't -- if you want that answer, Mr. Davies, I will get it from Mr. Brown.

Q Well, I don't want to put you to any trouble about it, but in the normal course of events, whether it is in the law business or other different businesses is, that people who originate the business usually are entitled to get something out of it.

A Well, that's quite true.

Q And I don't know, I don't profess to know anything about it, but it suggests itself to me that if it is a violation of ordinary business principles that the people who originate the business, are forced to originate, carry the system to originate it and then get nothing at all for having done so?

A Well, I would be inclined to agree on that, those aren't the facts.

So much for phones then.

A (Cont.) The last utility that we have is the transit, and any of you who are acquainted with transit utilities in the North American continent know it is the weak sister of them all. There is a very, very definite trend away from public ownership, in the reverse, I mean, from private to public. The cities of San Francisco, the city of Boston, the city of Chicago, the city of San Francisco, did I mention; all were originally privately owned and have all gone municipal because they just got to the point that they could not make things go with the rate structures they were operating on. Many of them got up to fifteen cent fares, there are some of them up to the seventeen and a half cent fare, two for thirty-five, and some of them even talked in terms of twenty-five cents in some of the American cities at the present time. Now, you can readily see why you can't induce very much private capital into transit operation. We have tried to operate our transit system on a break even basis. In the last eight years, I think if you were to go back over our records you would find in one year we made a few dollars, the next year the wages went up and we lost some dollars, and ultimately we had to go for a rate increase. Always with a view of just trying to break even, knowing that there are so many people in the low income groups primarily who are dependent on public transportation, and we have tried to help them out to that extent.

It is a difficult utility to operate. It is, you have got people wanting the fares down on

A (Cont.) one side and they want the service up on the other, and you have got to get the two compatible, and it is very difficult to do.

Q Have you found, Mr. Menzies, that the switch over from the old street cars to the trolley bus that your unit cost has possibly been very favorably reflected, and that has been the break for the transit system in Edmonton?

A It has. We have, we are one of the few cities left of the larger cities in Canada that has got a rate less than 10 cents, then a ride for ten cents. We are giving, as you know, if you buy the bulk, you get a ride for nine and an eleventh, nine tickets for a dollar. It doesn't sound like much, that nine tenths, or ten elevenths of a cent that I am talking about, but if you add that to it, that gives us revenue of $200,000.00, and when you are talking in fractions of cents in the transit business, you are talking in money. We have been able to keep down there, and I think we have got, that on the whole our transit operation has been good.

MR.ROBISON: It is a fact, however, that the use of the transit system, populationwise, even in spite of the greatly increased growth is going downwards?

A That's correct.

MR. ROBISON: Isn't that so pretty broadly across this continent?

A The rate of loss of passengers in the North American continent is around 8%. They are dropping, the number of passengers per annum riding is going down

A (Cont.) in the order of 8% per annum, and that has been the current in many United States cities is definitely, for five years it has been going down.

THE CHAIRMAN: It is true here?

A No, we have been remarkably -- the reason that we haven't been in that boat is that our population growth has been practically equal to the loss, and it has kept us practically on the level keel. The thing that has raised our, wage increases are always, every year we run into wage increases and negotiation and that results in the increase primarily. That, I think constitutes the utilities, Mr. --

MR. GARSIDE: Can you give any information as to the number of trolley buses and diesel buses and so on, for the information of the Commission?

A I think we have in the order of two hundred, but I wouldn't want to be too specific, somewhere in the order of 200.

MR. ROBISON: You wouldn't suggest that the transit utility be a good enterprise to put trustee funds into then?

A No, I can think of better ones than that.

MR. GARSIDE: Do you mean 200 vehicles altogether including gas buses and diesel buses?

A Yes.

MR. GARSIDE: Can you separate them at all?

A Oh, no, I couldn't. I could get you the figures if you want them to-morrow, but just guessing, I would think there are about two thirds, two thirds on liquid fuel and one third trolley, roughly. We run a certain number of propane as you probably

A (Cont.) know.

THE CHAIRMAN: Now then Mr. Garside, you plan as to the next section of information that you are going to get --

MR. GARSIDE: I am practically finished with this one.

THE CHAIRMAN: Yes. Well, possibly, as Mr. Menzies himself has suggested, if there are questions on the operation of utilities that we ought to have them now before we go on?

MR. GARSIDE: I think that's a good idea.

THE CHAIRMAN: Yes. Well, now --

MR. GARSIDE: I just have one more question to ask, sir.

THE CHAIRMAN: On utilities?

MR. GARSIDE: Yes, on the utilities.

THE CHAIRMAN: Oh, well, then go ahead.

MR. GARSIDE: I just wanted to ask you this question, it is estimated that the metropolitan area as proposed by the city and as shown on that outline plan there will have a population of probably three hundred thousand people by, if you take the post-Leduc rate, in seven years, and if you take the average of ten years, I think it is about 15 years. Now, can you tell the Commission whether under those conditions, knowing those conditions that the capacity of the utilities that you have just described is sufficient to serve the region, the area?

A Well, that question, I would have to break it down with each utility. I have explained to you the water situation. When we have our filtration plant finished this year we will be able to handle over

A (Cont.) three hundred thousand people. It would meet the requirements of them, that is from the pumping standpoint. Obviously, if you were to -- would we have a certain amount of main construction that we would have to do in order to make water available to the larger area that would be necessary to house that number of people.

MR. GARSIDE: Well, now --

A But answering your question, I presume you mean, could we, could we generate enough, could we generate enough power, could we produce enough water, could we handle the sewage from them?

MR. GARSIDE: Yes.

A I would say yes.

MR. GARSIDE: And transportation?

A Transportation, we would just have to augment it according to where the demands arose.

MR. GARSIDE: And telephone?

A Well, we would have the characteristic lag in there, I'm afraid, but we have it anyway.

MR. GARSIDE: But you have the central energy for it?

A Well, it isn't a question of energy for the telephones, it is the equipment. The energy is negligible in telephones.

MR. ROBISON: Why is there this terrific lag in telephone equipment, is it just getting stuff shipped in, is the problem from manufacturing --

A Well, you have to order a long, long time for it, and apparently they allocate so much to you and so much, and you are more or less told from the manufacturer.

A (Cont.) There are only two manufacturing companies from which we can, from whom we can buy. The Northern Electric and Siemans of England, and once you decide to build an exchange if this was going to be an exchange, once you commit yourselves to Northern Electric equipment, any expansion in that plant has got to be Northern Electric equipment. Likewise Siemans, so that is a further complicating problem. You can't mix the two up in the one exchange. I can't prove it, I have a feeling that they know their manufacturing capacity, they know their customers and they say, you get so much, and you get so much, and you get so much, and that's it, because that is the only way you can account for it, because they are all in the same boat.

MR. BROWNLEE EXAMINES THE WITNESS:

Q Mr. Menzies, from the standpoint of utility development, do you see as logical a residential development going several miles east of the present City limits as has been suggested, I think by Mr. Moffat, a development south and east of the present industrial area of Strathcona?

A If your question is, could it be built, I would say yes. Whether I would advocate that from a planning standpoint, I wouldn't want to say just now. In other words, are you asking me, should that whole area be zoned for industrial now that it has started, or should it be a combination of both?

Q Well, what I am asking you is, in your capacity with the City, would you recommend the development of residential areas, say anywhere from 3 to 6 or 7 miles east of the City limits?

A Do you mean if they were under our jurisdiction?

Q Yes.

A No, I wouldn't want to go so far east as 6 or 7 miles.

Q How far east of the present City boundaries would you want to go?

A I don't think I would want to go much farther --

Q For residential accommodation?

A For City development as a whole, I think that the present limit would be ample for the foreseeable future.

MR. MOFFAT: The present or proposed?

A No, the proposed, the proposed easterly boundaries.

MR. BROWNLEE: Do you mean, well, do you mean as far as 50th Street for residential, or do you mean further east?

A I think personally I would favor restricting that area from 50th Street east to industrial, and not get residential up in that portion.

Q All right.

Now, you talked about the taking of the sewage from the Namao area, and I believe you also deliver water there, do you not?

A We do.

Q Yes, and you work under an agreement with the federal government?

A Yes.

Q Is that a profitable transaction financially for the City?

A It is.

Q And to that extent you have no objection to it being carries forward?

A Oh, I am in favor of it.

Q And I am a little confused as to your problem of working under agreements inasmuch as you say that people want to hook on to a line as soon as you run it out; would Oliver be a good example of that?

A Yes.

Q Well, now, let us suppose that the City boundaries are extended, and you have a business concern or any kind of a concern that is in a rather isolated position, and it requests the water line run out to it, now, what is going to be the difference between that situation and the situation in supplying Namao? Aren't you still going to have the problem of people wanting to hook on as soon as you run that line out?

A Oh, any extension that goes outside the City limits is definitely going, there are people wanting to connect

A (Cont.) on sooner or later, I would say.

Q But if the extension is within the City to service a certain type of concern, what I am getting at is, if the Oliver was in the City, or if Inland Cement was in the City and you ran a special line out there, you are still going to have people wanting to hook on to it?

A That's true.

Q So, there is no substantial problem, is there, because of the fact that Inland Cement might be outside the City that wouldn't exist if Inland Cement was inside the City?

A Yes, there is. That is the route that the line takes.

Q I see. Well, now, what difference does it make?

A All right, I can show --

Q I don't quite understand it.

A I can cite a very good example right now; the line that goes out to feed the industry on the South Side, the one that the M.D. of Strathcona now has, it goes through the field more or less. If and when that is developed for residential, somebody has to fit any development around that main, or else they have got to change the position of the main. Now, not long ago the M.D. of Strathcona came to us, came to the City and asked for an extension eastwards from the City from approximately 74th Avenue and 75th Street, and they showed us the plan of where the route would run. They had studied, and it was runback, so many feet back from the, back from the road allowance. Highway 14. Now, no thought -- I don't think very much thought was given to what is

A (Cont.) going to happen when they want to subdivide if and when. If it is never going to be subdivision out there there is no problem, but if there is going to be subdivision it certainly, it shouldn't be promiscuously laying water mains here and there, because ultimately they are going to be in the wrong place, and it is going to cost you to change them, and for that reason I feel that in any area that is likely to be subdivided, it should be under, it should be very well controlled and very, very careful attention given to where it is located.

Q Well, now, you talk about the line out in Strathcona, and you said that it ran through fields, specifically what do you mean?

A I mean that the area immediately south of Highway 16 in the municipality, that is that area right there, their water main takes off from us right there. It runs along here like that a certain distance back. Now, this used to be subdivided. It was later cancelled out into acreages. I don't know , I haven't got the detail on how the municipality got along there, whether it was by easement or purchase, or so on, but not withstanding, they have, the water main goes along like that. Now, just to show you, if somebody has to come and develop that into housing, he has got to keep that water main definitely in mind where it is to plan around that, and it may be that that water main is not the right place. It would have been far better, and had that been laid out and subdivided before that water main ever got into that area, and the same thing applies to their proposal that I saw at 74th Avenue. The municipality came to the

A (Cont.) City and asked to be allowed to hook on to our system at either 70 -- I think it was 74th Avenue and 75th Street, and to run easterly to serve some property in here, and also to ultimately go out and supply that reservoir that was dealt with before.

Now, I feel that that line, that the position of that line should be definitely decided upon keeping in mind subdivisions if you are of the opinion that that is ultimately going to be subdivided. If you decide that it is going to be an acreage like that, and if you decide that that is the limit, you are not going to go beyond it, then, I don't feel that you have the same problem, if you run through a field, but good design would call for trying to get the mains in the right places in the first place, that is my opinion as a planner, as a designer and as an engineer.

Q Well, what I was trying to get clear, where you used the word, I don't know what you meant, that they run through a field. Now, isn't that line at all times parallel to the highway in the customary manner?

A Yes, but it may not fit in with your depth, it may not fit in with your ultimate planning at all. You are automatically prescribing that that has got to be a grid you are turning your own hand. There is schools in there, and I happen to know this one, because we have been looking at the possibility of what kind of a subdivision you can come up with, and the very first thing I had to say to the man, don't forget that there is that water main running across that field when you are laying out your subdivision, in other words, we have to fit the

A (Cont.) subdivision to the water main.

Q Well, what subdivision are you talking about?

A I am talking about the area, that area immediately south of Highway 16 right -- immediately next to the City, in the M.D.

Q Oh, that is municipal land?

A That's true, but the thing that I would like to stress here, is, that we know, we are supplying Beverly with water, we are supplying Jasper Place with water, and I know that in the early stages of the game and for quite a long time that it is definitely to their advantage to buy from us at the surcharge, definitely, they cannot go for the capital construction and carry the debentures and the interest in the early stages and come out any where near where we are. Mr. Ripley also gave you that same argument for a while, and that's what maybe they could do. My contention is that if we have got to be supplying placed outside we should know where we are going so that we can design properly. Come back up here, I tell you about this sewer, I don't know under the present situation, our engineers come to me and say, what size sewer shall we design for, shall we make it big enough to take that or not; well, I don't know, not the way the thing is, as indefinite as it is today, and that is the type of thing that I am trying to say, that I feel that you can design a utility system for an area much better under one set up than you can under a number of people operating, and that fact is also substantiated in my opinion by the fact that you see these Metropolitan water districts in practically all

A (Cont.) the big cities of this continent. You have one in Winnipeg, you have one in Vancouver, you have them in New York, you have them in -- so on, you have them in Chicago and you don't run into this difficulty, this difficulty of too many people in the field.

The main point I was trying to make was, that if this is coming into the City, I feel that it should be planned before the mains go in, if it is never coming into the City, it is going to remain in the municipality, well, then that is the municipalities problem. I still think they themselves even, if they are going to develop it should be giving more thought and very definite thought to where those mains should be going keeping in mind what the ultimate use of the land is going to be, because changing mains after they are in is not a good economic answer to the problem.

Q Well, now, Mr. Menzies, at the time this line was put out, and the arrangements were made with the City, were any of the negotiations and discussions carried out in your presence?

A Yes, definitely.

Q And at that time, did you as you are now doing express possibly disapproval of the manner in which they were planning to lay it out, did you say to them that --

A Well, I might have said it, I don't know how much I stressed it, because at that time I did not know -- I am talking strictly from a standpoint of if I had to look after its ultimate operation I would want it in the right place. I have definitely told somebody, I can't remember whom, that I think the location of the

A (Cont.) one they want down on 74th Avenue is definitely bad.

Q All right. Now, did you do the same thing with respect to the existing line?

A I can't say I did. I have always had that in my mind, but after all, my business -- had they asked me if I thought it was a good location, I think I would have said, no. Maybe I should have said no, but actually that was not my business, what they do in their own municipality.

Q Well, if the municipal officials say that they never had indication of disapproval from you, you would probably agree that they are stating the facts correctly?

A That is perfectly true, I would have to agree to that to some extent, but on the other hand -- I have always tried in my negotiations, in my dealings with outside municipalities to give them the benefit of the experience that I have learned through my City experience. I might have said it, but I don't remember doing so, but I didn't think that that was a good location.

No, you can see the same thing very much worse in electric light distribution out in some of those areas. If you ever tried to follow some of those electric light lines, zigzagging around like this all over, then Mr. Jones decided he wanted to come in, and he bought three poles from somebody else -- The first man maybe paid for 12 poles to get from one place to another, and his neighbor half way out wanted to get on and decided he would pay for a pole and a half or two poles and somebody to get off another sprout and --

Q Well, now, can you tell me next, when you were discussing water, you said that, I believe the cost figure was six and one quarter cents per one hundred --

A One hundred cubic feet.

Q Can you tell me what profit the City makes on the sale of water to Strathcona?

A No, that is difficult to say, because if you were going to say what profit we a re making, we have obviously got to put in some cost for getting the water from the production point to its delivery through, to the, into the municipality. I could do it, I could come up -- I would have to sit down and do some figuring, but I can't just say right now.

Q Well, if you are going to be here tomorrow, you might be able to give me some information --

A No, it wouldn't take too long, but in other words, if I were to say if it were fair for you to take the carrying charges on a ten inch main from the power plant to the point where your ten inch takes off at the City limits.

Q Yes, if that's your cost.

A No, but I mean, if you want to get the water delivered through a ten inch line at the City limits it has got to be at least ten inch to get it there, therefore --

Q We would like to know then what your cost is, because if it is possible I would like to know what the profit is on the sale of water to Strathcona.

A Well, I don't think it is very hard, you can practically make the figures fit any set of conditions. If you will be specific I will try to give you an answer, but

A (Cont.) here is the point, we are pumping at six and one quarter cents, we are delivering I think with the consumption that you are presently getting, somewhere around 20 cents. You can correct me if I am -- It is one way or a little bit the other, in other words we are making 14 cents one hundred cubic feet.

Q And then there is the surcharge.

A Isn't 20 cents somewhere around with the surcharge?

MR. HAWKINS: I believe 17 plus --

A 17 plus 35, somewhere in the area of 20 cents is what they are buying from us, and the more they buy the lower that goes down because it is on a sliding scale, so if you want to say theoretically, the profit is 14 cents on six cents which would be pretty high, but you have got to get the water from the plant to this point which isn't done for nothing.

If you will read over my report you will find that in the City of Edmonton we are, we are taking roughly one mill out of the general levy and turning it over to the water works department as fire protection in line withthe report we made that I mentioned a while ago, so that the people of Edmonton are not only getting the rates that these people, and industry in Edmonton getting comparable quantities of water to the municipality is paying the same rate as they, less the surcharge, but they are also paying a mill on their general taxes, and they are also paying a maintenance tax for looking after the, assessed on the frontage basis on their property, so that it is not quite as big as spread as it might appear on the face of it.

DR. HARRIES: I just had one question, sir, you are speaking about the problem of designing a sewer system for the northern part of the City?

A Just back here?

DR. HARRIES: Yes. No I think you ran your line to the north, right through the north end towards the Cement plant?

A From here across to here, yes.

DR. HARRIES: I understood you to say that it made a great deal of difficulty to not know whether that area that is suggested to be annexed would be in or out of the City when you are designing your line?

A That's correct.

DR. HARRIES: Now, I would like to ask you, is the real point whether the area will be in or out of the City, or whether the area will be developed?

A Well, that is, --

DR. HARRIES: If it is in the City?

A That is primarily the answer.

DR. HARRIES: So the primary thing is not whether it is in the City or not, it is whether, to the extent to which you are going to have population and development, even if it is in the City?

A Yes, but I do feel this way, that under one administration, not under two or three -- I question very much if I go to the municipality and ask them, shall we design that sewer, now, are you prepared to take the cost of the additional size to look after that starting next year, that they would say yes.

DR. HARRIES: Oh, I wasn't suggesting that, I was just suggesting that the real designing problem is not really to know whether the area will be in or out, but simply to know what kind of a population concentration you are going to have.

A Correct.

DR. HARRIES: Yes.

A Yes.

DR. HARRIES: Yes.

A And use, the rate of run off is the thing as far as sewer design. If you pave that whole thing solid, the ideal thing, the run off is terrifically fast and you therefore have to allow for it.

DR. HARRIES: There is one other question, sir, in that connection, you mentioned this problem of electric light distribution; I understand that the City distribute electric light into some areas of the Municipal District of Strathcona?

A That's right.

DR. HARRIES: Any problems that you have with your distribution in that area don't arise as a result of the area being in the M.D. of Strathcona especially?

A That is correct, it is not their fault. I am not trying to imply that and I am sorry if I did.

DR. HARRIES: In fact, I understand that the City have put electric light services into the Municipal District of Strathcona without ever consulting with the municipal district officials themselves?

A That probably could have happened.

DR. HARRIES: Thank you.

A I did not want to give the impression it was the fault of the municipality in any way shape or form. I merely wanted to point out that if you allow sporadic groups or areas or populations to build up around the City, the next thing you want is a request for a sprout out to it, through land that may ultimately be subdivided, and then when you come to subdivide you have got to change everything, and that is poor designing in my opinion.

THE CHAIRMAN: Mr. Menzies, would you comment on the probable development this year in the area north of the C.N. inside the present City boundaries?

A Yes.

THE CHAIRMAN: Say taking Lauderdale as the starting point, is that immediately west of 97th?

A Well, there are three subdivisions in there.

THE CHAIRMAN: Yes.

A Starting at 97th you have Lauderdale, Cityview and Elm Park.

THE CHAIRMAN: Yes.

A They are roughly that area there.

THE CHAIRMAN: Yes.

A We -- excuse me.

THE CHAIRMAN: No, you go ahead, I am sorry.

A We have a plan of subdivision ready for that. We are ready to go in with the utilities right now, and in fact we would start next week if we could clear one thing, and that is the fact that Central Mortgage is holding up loans on buildings near airports.

MR. ROBISON: They are doing more than that.

A And you will notice that that parcel there lies directly north of the main north-south runway. I was talking to Central Mortgage this morning, with Mr. Clausen and he told me by tomorrow night the Deputy Minister will be in Edmonton and we will definitely clear the thing, whether they are going to allow us to build in there or not to build. The reason for their new regulation is that if they are -- they have found in other parts of the country, if they start an airport in an area like that, suddenly if they don't watch themselves there will be a bunch of hamlets all develop around them, get on their runways, and so they are now striving to stop that. I feel they are using that theory, or applying it to Edmonton which is in the exact reverse. They are talking of taking our airport out, we can't get any closer to them because you will notice this is the marshalling yard of the C.N.R. and all the planes going north have to clear the boxcars. They can't get in on the end of the runway, and I think it will be clear, but if that is cleared up tomorrow by the Dominion Government we are proposing developing that area this year.

I should like to point out that the builders are a little bit leery that the lots won't sell, but they are nevertheless going ahead to develop somewhere in the order of three to four hundred houses just to see whether that is an area which people will go to.

MR. DAVIES: What will they have to pay for those lots?

A Pardon?

MR. ROBISON: They are willing to take a chance?

A They are going to gamble, in fact, the Mayor was instrumental in talking them into going there. He gave them quite a talk one day and asked them if they wouldn't go in there and get that thing going, knowing that people have held land so long in that area. We had meetings with the insurance companies who also were very leery about going in there, I might say, and we got them at a big meeting to agree to advance funds for house building in that particular parcel.

MR. DAVIES: I was going to ask you Commission Menzies, what does a lot cost a person who wants to build there, what is the lot factor in the total cost per house?

A Do you mean if we were to sell it?

Q MR. DAVIES: Well, is this private land?

A It is mostly private.

MR. DAVIES: But some City?

A Very little.

MR. DAVIES: Well, was it necessary to replot a lot of it?

A There was no provision made for parks or schools there the way it was. It was just straight -- We had to go in and provide schools and parks and that type of thing, and by the time we had them all provided they had used up all our property.

MR. DAVIES: Well, have you any idea what a lot would sell there for?

A They are being bought at roughly $10.00 a foot. We would sell probably, they would probably be 44 foot lots, and they would sell around 440 to $500.00 if we were selling them, but I know people are asking a thousand for 33s,

A (Cont.) and that is the thing you are up against.

MR. ROBISON: The mortgage companies, the C.M.H.C. won't put these lots in at $1,000.00 for mortgage loan purposes?

A They have been known to do it.

MR. ROBISON: Well, not if they catch up with them. That is under the table.

A That is true.

MR. ROBISON: Sure it is.

A It is done by bookkeeping, he puts more into the building and less into the land, I think that's the way you get around that.

MR. ROBISON: But the fact is that the C.M.H.C. will not put a lot cost in that area at anything like a thousand dollars, isn't that correct?

A That's correct, in fact, when we were dealing with Central Mortgage, I recall we dealt with Mr., the former president, the man that went out.

MR. ROBISON: Dave Manser.

A Dave Manser, and he said if we were trying to get that place organized that we should try to get the land at $8.00 a foot, but we weren't too successful, we tried.

MR. HAYES: Mr. Menzies, is the reason the City hasn't got much property there that the taxes have been too low?

A As you know, Mr. Hayes, the reason we had quite a bit of land, as Mr. Hodgson explained was that much of it came back in the days following the first war, that's how we got the land in the first place. Now, the reason that we haven't got it up there, I imagine is because it was assessed very low, and people were able to hold it. It apparently didn't come back in the tax sale, although, I do recall back in the depression days there

A (Cont.) were many on council who advocated giving the stuff away if you could get it on the tax roll and get some money in, and therefore, the City back in the '30s sold fairly large parcels sometimes for very, very little money. A man who came and bought at the City said he wanted to run a little dairy farm, produce a few potatoes and make a living that way, and he bought up a whole block. You can find in that area that we are talking about people of that type who had their own cow and who did a little bit of gardening now owning a block of land and are trying to sell it anywhere from $8.00 up to $20.00 a front foot, and that is the way the situation is.

THE CHAIRMAN: Well, Mr. Garside, you propose to ask Mr. Menzies to return tomorrow morning?

MR. GARSIDE: Oh, yes we have lots yet.

The next matter I was going to go into was the question of housing and certain factors which affect the development of the City, so that you will know as much as we can give you in the way of information.

THE CHAIRMAN: Yes. Well, I suggested that you be responsible for bringing him back rather than the Commission invite him back.

MR. GARSIDE: With his consent I will bring him back.

THE CHAIRMAN: We will be very glad to go on with this evidence tomorrow morning, Mr. Menzies.

A Fine.

THE CHAIRMAN: Thank you very much. We are now adjourned until 9:45 on Thursday.

(At this time the Commission is adjourned until the 10th of March, A.D. 1955 at 9:45 A.M.)